

News Summary

RAL

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Israeli Government yesterday decided to continue the talks with the U.S. on a Middle East settlement, despite what was said as the failure of Mrs. Golda Meir's talks with U.S. Assistant Secretary of State Joseph Sisco.

Meir reported to the Knesset yesterday that the talks had failed, but she said she was not discouraged. She said she was not discouraged and that she was not discouraged.

lat warns

Cairo, President Sadat's spokesman, said today that the Egyptian position on the Middle East was not on expansion, the position by the U.S. split the peace and the situation must be by the end of this year, by peace—or by war.

Apollo trio rn to Houston

Apollo 15 astronauts arrived in Houston last night after a brief stopover in Hawaii. They were given a big welcome by islanders. Some of the moon rocks were sent ahead by plane to Houston for lunar receiving laboratory examination.

zzing' claims

Airline Pilots' Association expressed concern at "many claims" involving military aircraft in close proximity to airliners—especially in the corridors over Germany. The association said BALPA spokesmen had said it was difficult to tell whether any incidents were deliberate.

er-timers

A Lords select committee is looking at ways of streamlining the procedure for proposing and passing bills.

by tour ends

African rugby team left for home last night after a tour that left 700 arrests and a number of injuries. The tour was ended by the Springbok cricket tour.

Lions defeated North 11-5 to continue their ten provincial record in England. Page 3

yacht in front

The "American Eagle" led the Admiral's Cup regatta in the triple points—when the German team was leading her was Ragan. Apollo (Australia). Page 3

effy...

A boy, 12 hours old, was wrapped in a woman's gown and a polythene in a dustbin outside a house in East London.

German soldier fired

at a West German near Bad Reichenhagen. The bullet hit a car, but no one was hurt.

has set up a committee

to look into a world-wide campaign to protect the environment, including the use of nuclear power.

BUSINESS

Davies warned on UCS orders

NEW CLYDEBANK COMPANY, planned by the Government to replace Upper Clyde Shipbuilders, may find itself without work unless orders for ships not yet started are renegotiated soon.

Mr. John Davies, Secretary of Trade and Industry, has been warned. The liquidator has suspended preliminary work on 13 bulk carriers—for only four of which have credit guarantees been provided—and has stopped all sales and forward planning activities.

Mr. Davies has been told the Government should make it clear that UCS's successor will be able to guarantee delivery of ships and to secure credit guarantees for the remaining nine ships to prevent prospective owners making alternative arrangements or abandoning their plans.

NALGO says Yes to Europe

NALGO LEADERS have reversed the union's previous decision to oppose entry to the Common Market and have come out strongly in favour. NALGO will now vote in favour of entry at next month's TUC congress.

Other white-collar unions may follow, but the manual unions are predominantly opposed to entry. Page 11

Shaw Savill Line and Sitar Line are to merge their marketing and sales interests for Europe, Australia-New Zealand operations. Final integration should be completed by next July. Page 11

THF peace bid to-day

TRUST HOUSES FORTÉ Boardroom dispute may be patched to-day at a meeting of the Council of the Trustees who hold the voting control of THF.

Representations to the Board have so far not agreed on any solution to the row over the dismissal of managing director Mr. Michael Pickard. Back Page

Paris debt repayment

FRANCE is to pay off today the remaining \$600m. of its IMF debt incurred after the franc was devalued. Reports in Paris that the repayment includes \$191m. in gold suggest France's policy of converting part of its dollar surplus into gold may have resulted in a total of about \$470m.

INSURANCE SALARIES have risen by an average of 11.8 per cent between January and June compared with a rise of only 10.3 per cent in the previous 11 months, reports Lloyd Executive Selection. Page 13

Swan Hunter men stay out despite stewards' plea

BY MICHAEL HAND, LABOUR CORRESPONDENT

The national executive of the General and Municipal Workers' Union is expected to meet to-day to consider giving official support to its 2,800 members at Swan Hunter's five shipbuilding yards on Tyneside who have been on strike for the past week.

This follows yesterday's close decision by a mass meeting at Welland to continue the strike, which has kept the yards idle since last Monday and has put another 7,500 men out of work.

Just over 1,000 GMWU members were at the meeting, less than half the total number on strike, and only 879 voted in a ballot on a peace formula which had the unanimous support of their shop stewards and union officials. It was nevertheless rejected by 462 votes to 417.

A risk

The strikers did not stop work until their pay claim had been taken through all the stages of the negotiating machinery, and although the management's latest offer has been recommended for acceptance by full-time officials and stewards, the men are looking to the union's executive to support their action and to sanction the payment of £5-a-week strike benefit.

The GMWU leaders will be uneasily aware that if they fail to make the strike official they will run the risk of mass defections by their shipyard members in the North-East.

Yesterday's decision came as a shock to the Swan Hunter management following the whole-hearted endorsement of its offer by the shop stewards. Mr. Tom Melver, joint managing director, said last night: "We feel the company has done everything possible to achieve a settlement. I don't really see what more we can do. The company has bent over backwards to try to get the men back to work, and we have gone to the limit towards meeting their claims."

Unless there are some new developments in the next day or so, and this cannot be ruled out, the company will face at least a two-week closure, because there are no plans at present to have a further mass meeting before Friday, by which time the men will have been out for a fortnight.

They stopped work in support of their claim for a rate of £21.40 a week for men working in the top grade. This would give the GMWU workers in the five shipyards pay parity with men doing similar work in nearby ship repair yards.

When the strike started the management was offering a top rate of £20.17, but in talks which ended early last Wednesday this figure was raised to £20.60 as part of a new long-term agreement under which there would be further increases to £21.80 in January and to £22.60 in January 1973.

The reaction of the shop stewards was that they were hopeful that the men would call off the strike if the management would agree to a further small improvement. As a result, just before a mass meeting on Friday, the management agreed in negotiations with Mr. Ken Baker, GMWU national shipbuilding official, to round up the figure to £21, £22 and £23 respectively, provided work was resumed immediately.

But, in the event, only three men out of an estimated 2,000 at the meeting voted to accept the offer—which would have given them an immediate average 11 per cent increase, rising to 16 per cent in January. At this stage the management withdrew its offer and Mr. Melver said publicly: "We simply cannot afford any more."

However, only a few hours after the offer was rejected at the mass meeting the management agreed to unexpected new talks following an approach by the union and also to make a further improvement which would have meant a top rate of £21.15 immediately (only 25p short of the men's demand), £22.15 in January and £23.15 a year later.

It is believed that Swan Hunter made this further reluctant concession in the belief that if it did not do so the GMWU would make the strike official almost immediately.

Union view

Mr. Baker and the stewards felt that this third improvement in the offer in the space of four days would secure a settlement, and it was believed on Tyneside last night that this would have been the case if more of the strikers had attended the meeting. It seems that many of those who voted to stay out felt that having got three new offers in quick succession, they might achieve the full £21.40 by continuing the strike for a few more days.

U.S. Treasury rejects a call for devaluation

BY JOHN GRAHAM, U.S. EDITOR

WASHINGTON, August 8. THE U.S. Treasury issued a counter-statement this week-end after publication of a Congressional report calling for the dollar to be devalued.

A sub-committee on international exchange and payments, headed by Congressman Henry Reuss, has come to the conclusion that the dollar is overvalued and that one way or the other it must be devalued. It recommends that the IMF apply firm pressure on other countries, especially Japan, to increase the value of their currencies.

Unilateral

It then goes on: "If the membership of the Fund fails to confront this issue and does not specify a mechanism through which dollar exchange rates can be promptly restructured, the United States should then promptly consider a unilateral initiative to achieve this same result, perhaps by floating the dollar within specified limits."

The U.S. Treasury made the following statement: "The report reiterates the earlier views expressed by its chairman, Congressman Henry Reuss. The limited hearings held by Mr. Reuss did not, in the opinion of the Treasury Department, reflect

or develop any wide body of Congressional opinion. "No discussions are planned or anticipated with respect to exchange rate realignments at the International Monetary Fund or elsewhere."

What this last sentence means, if anything, is obscure. The IMF staff are preparing ideas for discussion on the exchange rate question at next month's annual meeting here and the U.S. will presumably join these discussions. That the Treasury felt obliged to issue a formal "denial" statement to the conclusions (not unanimous) of a dim and more or less powerless Congressional subcommittee is evident proof of the altered condition of the dollar.

This will be in evidence this week, when the U.S. gold stock will drop to just over \$10,000m., the lowest point since the early 1930s. At the same time the U.S. is having to go to the IMF to borrow \$822m. worth of Belgian francs and Dutch guilders, since the central banks of Belgium and the Netherlands prefer to exchange dollars for an exchange rate-guaranteed credit at the Fund.

There has naturally been a revival of the traditional theory that when the gold stock hit \$10,000m., the U.S. would simply

close the gold window. There is no evidence that the Nixon Administration plans such action. For the last year, the U.S. has, in fact, been financing its balance of payments deficit through reserves to a greater extent than before—as recommended at last year's annual IMF meeting by M. Pierre-Paul Schweitzer. Gold, SDRs and foreign exchange have all been axed.

Bonds weaker

The recent flurry of gold buying in Europe and the anti-dollar aspect of the financial markets, have had their repercussions here. The New York bond market has weakened and part of the interest rate rise over the last few months is ascribed to an inflation-cum-devaluation hedge.

Certainly, it has not been in response to purely "market" forces, since if supply and demand were the dominant factors interest rates would have been dropping.

For although the overvaluation of the dollar is admitted by many in the Treasury and the Federal Reserve, the greater anxiety still centres on the domestic economy.

French repayment Back Page

EEC: Wilson facing new pressures

BY JOHN BOURNE, LOBBY EDITOR

A PRESS report that Mr. Wilson may be reconsidering his attitude to the Common Market was strenuously denied yesterday by his Press secretary, Mr. Joe Haines.

"This story is completely without foundation," he said. "Mr. Wilson's verdict on the Common Market, which was approved by 164 votes at the Labour Party's National Executive meeting 10 days ago, is that the entry terms negotiated by Mr. Geoffrey Rippon must be opposed."

Labour MPs are convinced that he will continue to lead his party against the terms and will personally vote against them in the Commons on October 28.

But they have no doubt that Mr. Wilson is worried about the speech at Labour's special conference last month when he not only criticised the entry terms but gave the impression that he thought there was little good to be said of the European

Economic Community as an institution. Linked with this is the fact that Mr. Wilson knows that anti-Market forces in the Labour Party will soon try to extract a pledge from him that if Britain joins the EEC in January 1973, then the next Labour Government would pull Britain out.

The main private anxiety of many anti-Market forces is that they will not only fail to prevent Parliament agreeing to British entry, but that their attempts to frustrate the Government's essential Common Market legislation in Parliament next year will also founder.

They are therefore planning to put all their efforts into pinning down the Labour Party leadership, if they can, to a commitment to "pull out."

When Mr. Wilson was questioned recently on his attitude towards such moves, he stressed that neither he nor his party had a public policy on his point. He said it was a difficult question but he gave the impression that he would be in favour of a Labour Government doing its best to make the EEC work and to improve it.

His view is understood to be that once Britain is in the Market, it would be impossible to turn the clock back.

For one thing, all Britain's old trading partners in the Common Market and elsewhere would then have begun to make their own new trading arrangements. Mr. Wilson is therefore likely to support the pro-Market forces in their determination to resist, at all costs, the expected moves at this year's party conference at Brighton—and again at the Blackpool conference next year—to force the party leadership to follow a "pull out" policy.

Transport House has completed its plans for Labour's national campaign against the entry terms. In charge is Mr. Gwyn Morgan, who is the party's deputy general secretary and ironically a dedicated pro-Market. He has had to step into the breach because Sir Harry Nicholas, the general secretary, is on holiday.

Shortage of funds will limit the campaign mainly to leaflets, car stickers, label stickers and window posters—all bearing a red "No entry" road sign and the words "Labour says no entry on Tory terms." About 750,000 leaflets have already been sent to constituency parties.

BOAC's economies hit pilot intake

BY RAY DAFTER

THE decision by British Overseas Airways Corporation to restrict its intake of trainee pilots is symptomatic of the airline's cost-cutting measures and slow-down in growth of operations.

Next week, its annual report is expected to show an operating profit for the 1970-71 financial year of under £5m. compared with £31m. the previous year.

Although this is a serious drop, the airline will probably point out that a profit was achieved at a time of world airline recession when many of the major carriers were returning heavy losses.

Mr. Keith Granville, BOAC chairman, has already warned staff that "we must fight our way out of trouble."



Mr. Keith Granville

PIP—a profit improvement programme—has been in force for several months now in an attempt to boost the 1971-72 results by £10m.

Apart from PIP, the airline is cutting all unnecessary expenditure and freeing staff numbers. (The airline is striving to avoid redundancies.) This is the reason behind the week-end disclosure that BOAC is not to take on 100 pilots at present under training at Hamble, Hampshire, and Oxford.

BOAC said that all the trainees involved will complete their courses. If successful this would enable them to take a seat on the flight deck. However, there was much hope of them getting positions as pilots with the corporation.

Compensation

The airline is to pay them £800 compensations each, and is to assign a personnel officer "virtually full time" to find them alternative jobs.

A spokesman said yesterday that the courses due to start in July and October had been cancelled. Next year's intake of trainees, scheduled for January, April and July, was under review.

Mr. Gordon Hurley, a spokesman for the British Airline Pilots' Association, said last night: "Although we were informed of this decision by the airline, we were not consulted."

Apart from the general aviation recession, BOAC's profitability and growth prospects have been affected by the long delay in the introduction of the Boeing 747 services due to pilots' dispute, a loss of mail revenue as a result of the postal strike, the loss of lucrative West African routes transferred to the "second force" airline, Caledonian/BUA, additional security costs arising from the spate of hijackings and technical problems at the Heathrow cargo centre.

Soldiers shot as Ulster tension grows

BY OUR OWN CORRESPONDENT

NORTHERN IRELAND'S gradual slide towards chaos accelerated this week-end, with the hostility of Roman Catholic areas to the Army far greater than at any time since the troops arrived on the streets two years ago.

Tonight in Belfast two British soldiers were shot, but received only minor flesh wounds according to an Army officer. One was a sentry posted on top of the Springfield Road barracks and the other was in a nearby street with a mobile patrol when the patrol was fired on by men in a car. The car was chased but was lost in the city traffic.

Explosions extensively damaged two buildings in Northern Ireland's biggest power station at Island Magee (Co. Antrim), today. Supplies were not affected.

The latest shootings came after Saturday night's rioting in the Falls Road and Ardoyne districts of Belfast which had in turn followed the fatal shooting of a 30-year-old building worker—a Catholic and father of six children—in his motor-car by an Army sentry.

As workmen began the now familiar task of clearing the riot debris this morning, eight soldiers were already in hospital four with gunshot wounds. Four civilians were in hospital, one seriously ill, also with gunshot wounds, although the Army claimed that they had been injured in an area where the troops had not opened fire.

One senior Army officer put the blame for the civilian injuries on the IRA. "There was no pattern to it," he said. "It was just absolute bloody viciousness—the gunmen just let loose with no regard for human life."

No further statement was made by the Army to-day on the death of Mr. Harry Thornton, from Crossmaglen (Co. Armagh), who was shot dead outside the Springfield Road barracks, in Belfast. At first the Army claimed that the shooting had inflamed tensions which were already rising with the approach of the Protestant Apprentice Boys' march in Londonderry next Thursday.

Leaders of the Apprentice Boys are expected to meet to-day to consider a solemn oration, re-enacting part of their parade. The order would cut by about a mile the traditional four-mile route to the Protestant waterside district of the city. Six streets in the city centre would be closed and the procession and the Apprentice Boys would not be allowed to make their usual circuit of the city walls, part of which overlook the Catholic Bogside.

To-day the Catholic Bishop of Londonderry, Dr. Farren, spoke of a "deceitful" about the week ahead and appealed to people to keep calm even in the face of provocation.

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SPORT 2: YACHTING... TENNIS

British team is under pressure

BY ALEC BEILBY

PLYMOUTH, August 8.

ADMIRAL'S CUP and Fastnet fever, which affected Cowes last week, has moved on to Plymouth as the 230 yachts sailing the 650-mile course from Cowes passed the Eddystone light and the Lizard on their way to the Fastnet rock off southwest Ireland. As early race reports arrived from aircraft, patrol craft and coastguard stations it seems that the British team are in danger of losing the 22 point lead that they held over the Australians when they started out from Cowes yesterday. The Fastnet race counts for triple Admiral's Cup points, the winning team yachts scoring 141.

After the start yesterday the three British yachts, Mr. Edward Heath's Morning Cloud, Mr. Arthur Slater's Prospect of Whitby and Mr. Bob Watson's Cervantes IV, played the cautious game, avoiding any risky entanglements with the Australians who have been taking a tough line on tactics during Cowes Week.

Starting as a team it appeared that Prospect of Whitby and Morning Cloud were more than maintaining their positions on handicap against their rivals, a hopeful sign as the wind was fresh from the south-west and exactly what the Americans and Australians needed to give their larger yachts the advantage. Cervantes had seemed to be the disappointment of the team as the vast fleet left the Solent. She was among yachts which she had easily beaten during the three earlier races of the Admiral's Cup series.

During yesterday afternoon and early to-day the wind dropped appreciably and the tide set in from the west as the leaders approached Portland Bill and Lyme Bay where navigation and knowledge of tide dodging can pay dividends. When the yacht spotters went back to work to-day the earlier encouraging hopes for Britain took a tumble. While Mr. Ted Turner's 12 metre American Eagle, reserve yacht in the American team, led past the Lizard shortly after midday, Morning Cloud and Prospect of Whitby were sighted near the Eddystone light more than 30 miles astern. Two hours later coastguards at the Lizard sighted the Australian yachts Salacia II and Ragamuffin.

The sighting of Ragamuffin

ahead of much larger yachts such as the South African Jakaranda, Sir Max Aitken's Crusade, the non-Admiral's Cup Australian yacht Apollo and the British reserve yacht Quailo III means that at this stage she must be near to leading the fleet on handicap. Crusade and Apollo are almost on a level with American Eagle on handicap rating but are an hour and a half astern of her but this comes as no great surprise as the Eagle's offshore performance are remembered, though the performance of Apollo is disappointing.

Surprisingly Cervantes was reported to be off the Lizard ahead of the English Channel yachts Salacia and Crusade, and ahead of Mr. Terry Playle's Aeteson of Hamble. These were hours ahead of Morning Cloud and Prospect of Whitby and there were thoughts that the sail number of Cervantes, 2345 could have been confused with that of the American yacht Salty Tiger, 2343. One must hope that this is not the case and that Cervantes is redeeming her disqualification that cost the British team so much in the inshore race at Cowes last week.

Obviously with such a large fleet spread across the north side of the English Channel many yachts are slipping past out of sight of land and unreported, among them the Australian yacht Roomoon, the American team yacht Yankee Girl and her team mate Carina III.

Several reasons have been suggested for the drop in the positions of Morning Cloud and Prospect of Whitby and the most likely answer seems to be that they were caught in a calm during the night to the east of the Devon coast, having packed into Lyme Bay to avoid the effect of the six hours of east-going tide. They were both sighted from the shore at Portland yesterday afternoon apparently keeping the coast.

There are still 400 miles to be sailed and the strength had gone from the wind this evening which could give the smaller yachts their chance to keep moving while the larger ones struggle to keep their heavier sails filled. The effect of this was apparent from the number of comparatively smaller yachts racing alongside the largest in the fleet off the Cornish coast this evening.

Under-18 winners confirm promise

BY JOHN BARRETT

DURING the past two weeks on the grass courts at Devonshire Park, Eastbourne, the best young talent in Britain has been paraded before a discerning, expectant audience. First the under-18s came under scrutiny in the Green Shield Junior Grass Court Championships and then it was the turn of the under-18s and under-19s in the round robin groups from which the winners played on in the Green Shield National Invitation event.

The two under-18 winners Stephen Warboys (WY) and Glynnis Coles two months younger, each defended their top seeded status with distinction and confirmed earlier impressions that they are two players who should have bright futures.

A lot has been written about Warboys. He has had the sort of controversial upbringing which invites argument and discussion and his father has planned his sporting progress in several fields with meticulous care and considerable expense. Tennis has now become his chief concern at the expense of golf (at which he is a single figure man) and his precocious talents have already brought him some notable scalp.

However, it has been his father's deliberate policy to snuff him from competition against his age-group rivals unless the odds have been weighed heavily in his favour. He argues that competition against seniors of good class will best permit Stephen to develop at his own pace and encourage him to go for his shots without restraint. It is true, of course, that this policy bolsters confidence and allows experimentation with bold shot-making, at which Stephen excels for there is never the danger of a bad loss. However, it is a dangerous policy because ultimately a player's success depends upon his ability to face that moment of truth when he meets an inferior player in inspired mood and has to get the ball into play somehow despite that interior choking feeling that inhibits normal shot-making.

This is the one area where a doubt remains over Warboys. On the few occasions when he has played in international junior events he has failed in the crisis. In the Eastbourne final, on a difficult windy day, he failed slightly once again against John Lloyd, his Essex colleague who, at 18, is one year younger, serving for the first set at 5-3 is played too careful a volley

and was twice gloriously passed on the backhand to be caught at 5-6. However, he had enough service power in hand to accelerate out of range and eventually won comfortably.

Of the other boys, Lloyd showed growing maturity as he kept his head to beat the second seed Christopher Mottram whose own composure was unusually lacking. Michael Wayman (Surrey) made a brave recovery to overcome the raw talent of Lancashire's left-handed Mark Farrell but was annihilated by Warboys in a semi-final of magnificent arrogance. The two Middlesex Richards, Lewis and Leslie, lost creditably to Warboys and Mottram respectively and then teamed well to win the doubles.

Miss Coles pursued a serene course in the second national junior title (she won the indoor event in January) and demolished the 15-year-old Devonian Sue Barker in the final without losing a game. This was a feat to be proud of for Miss Barker had beaten two seeded players on her way to the final. Miss Coles has every chance of developing into a senior player of merit with sound ground strokes, a penchant for volleying, a fine physique, a hunger for work and, most fortunately, the benefit of sound advice from one of Britain's best post-war players, Shirley Brasher.

The older girls did not impress and it was the youngsters who caught the eye as they did again last week in the age group events. Nuala Dwyer, a left-hander from the same Torquay stable as Miss Barker, underwent a minor miracle from Linda Mottram and will doubtless be in better heart to defend her junior Wimbledon title next month after a disappointing season. Miss Mottram had scored a notable victory over Miss Barker in the semi-finals.

The under-14 title went to the Kent girl Michel Tyler, still not 13, who is beautifully composed and imperturbable for one so young. In a marathon semi-final she beat Jill Cottrell (Surrey) in a little gem of a match after saving two match points against her in the second set. The under-14 boys winner, Andrew Jarret, is another 13-year-old whose talents suggest he will develop along lines laid down by an elder brother of county class. For all these players achievement at junior level should only be regarded as a stepping stone to greater things.

Ireland Alloys' new factory

IRELAND ALLOYS will today start operations from its new works and headquarters offices at smilton, Scotland.

The plant, on a 13-acre site, is equipped with machinery for frayed sorting, crushing, quenching, shearing and other processes essential to the produc-

tion of material for a wide variety of melting operations. The works are laid out so that different materials can be processed on a flow system.

It is expected that the new works, which will employ 85 initially and 130 in the foreseeable future, will be in full production by September.

Eastern bloc agrees on economic pool

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

THE SOVIET UNION and its partners in Comecon have agreed on a plan for economic integration over the next 15 to 20 years with the aim of increasing labour productivity, ensuring competitive power on the world market, and pooling efforts in advanced science and technology. The plan, published in the Soviet Press this week-end, was agreed by the Comecon summit meeting in Bucharest on July 27 to 29.

One of its main features, which had already been announced, is the introduction of free convertibility for the member States' currencies, based on a convertible rouble. But planners will not get down to working out measures for this until 1973, and the programme did not say when the new system would be introduced. The convertible rouble is also gradually to be used in trade with third countries, primarily socialist and developing nations.

Compromise

The integration plan as a whole is considered a compromise between Romania's insistence on national independence and her seven Comecon partners. It states specifically that "socialist economic integration proceeds on the basis of complete voluntariness and is not accompanied by the creation of supranational organs. It does not affect questions of domestic planning."

But it did say that member countries "regard co-ordination of the five-year plans as one of the basic methods of planned development of co-operation."

The eight Comecon nations will begin joint work on biological physics, computer production, the generation of nuclear power for industrial purposes, and on protection of the environment. Apparently anxious to take advantage of the technical know-how of the West, members have

Emphasis

The emphasis on convertibility must give some satisfaction to the member countries, such as Hungary, who have been seeking it for so many years. But that work towards convertibility is only to start in 1973 suggests its actual achievement — even in the Comecon area — is a long way off.

At least one objective of the Soviet planners will, however, come closer to realization through the implementation of this plan. They will legitimately be able to draw upon East European men, machinery or money to exploit their own vast untapped resources — apparently starting with non-ferrous metals, possibly copper or nickel.

£300,000 ring mill shop commissioned

THE £300,000 ring mill shop at Doncasters Sheffield, the forgings and drop forgings subsidiary of Daniel Doncaster and Sons, has now been commissioned. It was disclosed at the week-end.

The installation, for forging rolling plan (and subsequently profile) rings, is being equipped with light tighter tolerances, thus reducing machining allowances and consequently, according to the company, allowing customers to reduce machining time and save material.

Provision has been made in the design of the installation for further expansion.

Malaysia aims to halt fall in rubber prices

KUALA LUMPUR, August 8.

THE MALAYSIAN GOVERNMENT was reported to-day to be planning to intervene in the market to halt the slipping price of rubber, trade sources said.

Professing to have no intention of a slip in the price of rubber to the lowest level since 1948, on Friday, the market closed at 92 Malaysian cents (12½p) per kilo. The price has slipped 30 Malaysian cents (4p) since May 20.

Ministers were reported to have met rubber industry leaders last week seeking their co-operation for the Government move.

depend of "not less than 18%" and in view of the results the Directors are now pleased to recommend a payment of 22% payable on 6th August, 1971, making a total of 34% compared with 28% for the previous financial year.

I think it appropriate to refer again to the use being made by your Company of the services of a computer. This was commenced in 1970, and has now been extended to cover all the major aspects of accounting at both branches. It is operating most satisfactorily and has undoubtedly been a factor in increasing efficiency and improving our service to customers.

Encouraging Current Trading

The value of Sales for the opening months of the current financial year shows an increase over that for the corresponding period last year, notwithstanding the increased prescription charges, and I have every expectation that, in the absence of unforeseen circumstances, the present level will be at least maintained.

Tribute

May I close my report by expressing, both for myself and on behalf of all shareholders, who I am sure would wish to be associated therewith, my thanks to my colleagues on the Board, our executives, and all members of staff for their hard work and loyalty during the past year.

The report and accounts were adopted.

MAY & HASSELL LTD.

Very Satisfactory Progress

The following are salient points from the Statement of Mr. J. B. Alley (Chairman & Joint Managing Director):

- In view of the sluggish demand during the last year, I am proud to present figures which must be considered very satisfactory.
- Trading profit was £282,246 and showed an increase over last year of £127,584.
- A total dividend of 16% is proposed (same). An increased dividend is not recommended as we have big dividends in the South West of England and in South Africa and these will need considerable finance.
- The year under review has been a momentous and very successful one for your Shipping Company—record profits, the delivery of one newbuilding and the launching of her sister ship.
- The present 3 months trading, with the exception of the Plywood and Hardwood Companies, show an increase in turnover and increased estimated profits, and under the present policy I have no reason to doubt that in spite of the difficulties that are around us this trend will continue, so again I am looking forward to another reasonable year.

REA BROTHERS LIMITED

INTERIM STATEMENT

The Accounts for the six months ended 30th June, 1971 show that the Group is making encouraging progress and that profits are running at a higher level than for the first half of 1970. The Directors believe that in the absence of unforeseen circumstances the profits for the year ending 31st December, 1971 will show a useful improvement over the previous year.

An Interim Dividend of 5½% (1970—5½%) has been declared in respect of the year ending 31st December, 1971 on the 'A' Ordinary Shares of £1 each, and will be payable on the 29th October, 1971 to Shareholders on the register at the close of business on the 29th September, 1971.

NCB £8m. contract for Crouch

Financial Times Reporter

DEREK Crouch (Contractors), the Peterborough-based building and civil engineering group, has gained a further National Coal Board opencast mining contract. Worth over £8m, the deal provides for the production of 2.3m. tons of good quality coal at Radcliffe, near Ashington, Northumberland.

The site is close to that of the group's current operations at Radar North, Widdington, near Morpeth. At Radcliffe, the target is 500,000 tons of coal a year, most of it for power station use.

Work on clearing 50m. cubic yards of surface soil, boulder clay and rock is to begin immediately, with the first production of coal expected in October.

Some 150 men are to be employed on the project, which will provide continuity of work for those already involved in the Radar North. That has been in operation since 1957 and has so far provided 11m. tons of solid fuel.

Derek Crouch's remaining opencast activities are in South Wales, where two sites are being mined and a coal washing complex operated.

ALEXANDER HALL CONTRACT

Alexander Hall and Son (Builders) Edinburgh, a member of Aberdeen Construction Group, has been awarded a £284,588 contract by Grampian Properties. It involves several works in the erection of a five-storey office block, together with car park, pavings, drainage and landscaping.

C&W Walker Holdings Limited

The Chairman: Mr. E. C. Woodall reports on 1971

★ Trading profit increased to £74,007 in difficult conditions.	★ Board feels justified in raising dividend from 13% to 14%.
★ Overall performance of the Group was depressed by two of the Subsidiary Companies.	★ Active steps being taken to bring loss-making subsidiaries into profitability.
★ All other companies continue to trade satisfactorily. Encouraging reception of new products.	★ Increased turnover and an improved profit expected in current year if economic conditions continue to improve and industrial confidence is restored.

Comparative Figures	1971	1970
Group Turnover	£3,195,896	£2,071,948
Trading Profit	£74,007	£83,764
Profit after taxation and exceptional items	£56,613	£74,671
Ordinary Dividend	14%	13%



The activities of the Group include the design, manufacture and erection of oil and petroleum storage tanks, gasholders, fractionating columns and similar steel platework fabrications for the process plant industries and the manufacture of other rigid synthetic materials.

Copies of the Report and Accounts may be obtained from the Secretary, C & W Walker Holdings Limited, Midland Iron Works, Donnington, Telford Shropshire.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT continued—

GENERAL INFORMATION

United Kingdom Approval of the Borrowing

Consent of H.M. Treasury has been obtained to this issue in compliance with the Order made under Section 1 of the Borrowing (Control and Guarantees) Act, 1946 and approval has been given by the government of the United Kingdom as required by the Articles.

Independent Auditor's Consent

Price Waterhouse & Co. have given and have not withdrawn their written consent to the inclusion of their opinion dated 23rd July, 1971 on the Financial Statements in the form and context in which it is included in this Offer for Sale.

Documents available for inspection

Copies of the following may be inspected during normal business hours on any weekday (excluding Saturdays) at the offices of the Solicitors to the Bank, Freshfields, 1, Bank Buildings, Princes Street, London, EC2R 8AB and of the

Solicitors to the Issuing Houses, Slaughter & May, 35, Basinghall St. London, EC2V 5DB, during a period of fourteen days from 8th August, 1971.

(i) The Articles;
(ii) The Bretton Woods Agreements Act, 1945, and the Bretton Woods Agreements Order in Council, 1946;
(iii) The Instrument dated the 6th August, 1971, constituting the Stock;
(iv) The Contract dated the 6th August, 1971, between the Bank and Issuing Houses being the Contract referred to above;
(v) The Annual Reports of the Bank for its fiscal years ended 30th June, 1970 and 30th June, 1971;
(vi) The Audited Financial Statements of the Bank for its fiscal year ended 30th June, 1971;
(vii) The consent of the Independent Auditor referred to above, 6th August, 1971.

APPLICATION FORM

THE APPLICATION LIST FOR THE STOCK WILL OPEN AT 10 a.m. ON THURSDAY, 12th AUGUST, 1971 AND WILL CLOSE ON THE SAME DAY.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Offer for Sale of £10,000,000 8 per cent. Stock 1976 at par

This form should be completed and lodged with Baring Brothers & Co., Limited, New Issues Department, 8, Bishopsgate, London, EC2N 4AE (personal callers 145, Leadenhall Street), together with a remittance for the full amount payable so as to arrive not later than 10 a.m. on Thursday, 12th August, 1971.

Applicants are advised to allow two days for delivery through the post and to use first class mail.

Applications must be for a minimum of £100 nominal of Stock or multiples thereof.

Amount of Stock applied for	Amount of cheque enclosed
	£

To BARING BROTHERS & CO., LIMITED, 8, Bishopsgate, London, EC2N 4AE on behalf of themselves and HAMBROS BANK LIMITED, LAZARD BROTHERS & CO., LIMITED, J. HENRY SCHRODER WAGG & CO., LIMITED, MORGAN GRENFELL & CO., LIMITED, M. M. ROTHSCHILD & SONS LIMITED.

Dear Sir,

I/We enclose a cheque for the above-mentioned sum, being the full amount payable for the stated amount of Stock, and I/we hereby offer to purchase from you this amount of Stock upon the terms of the Offer for Sale dated 8th August, 1971. I/We agree to accept the same, or any smaller amount of Stock in respect of which this application may be accepted, upon the terms of the said Offer for Sale and the prospectus constituting the Stock. I/We hereby authorise and request that you arrange for my/our name(s) to be placed on the Register of Stockholders in respect of any Stock so allocated and not duly renounced by me/us.

I/We hereby request you to send to me/us a Renounceable Letter of Acceptance for the amount of Stock in respect of which this application is accepted, together with a cheque, if applicable, for any surplus application money, by post at my/our risk to the address first given below.

I/We warrant that the attached cheque will be honoured on first presentation.

I/We declare that I am/we are not resident outside the Scheduled Territories* and am/are not applying for the above-mentioned Stock as the nominee(s) of any person(s) resident outside those Territories.

(If this declaration cannot be made, it must be deleted and reference must be made to an Authorised Depositary* or an Approved Agent in the Irish Republic* through whom this form must be lodged.)

1. Signature _____ Dated _____ 1971.

Mr. Mrs. Miss or Title _____

Christian Name(s) (in full) _____

Surname _____

Address (in full) _____

Leave Blank _____

2. Signature _____ Christian Name(s) (in full) _____

3. Signature _____ Christian Name(s) (in full) _____

4. Signature _____ Christian Name(s) (in full) _____

5. Signature _____ Christian Name(s) (in full) _____

6. Signature _____ Christian Name(s) (in full) _____

7. Signature _____ Christian Name(s) (in full) _____

8. Signature _____ Christian Name(s) (in full) _____

9. Signature _____ Christian Name(s) (in full) _____

10. Signature _____ Christian Name(s) (in full) _____

Please pin cheque here

PLEASE USE BLOCK CAPITALS

Baring Brothers & Co., Limited reserve the right to reject or scale down any application, to present all cheques for payment on receipt and to retain Letters of Acceptance and surplus application monies pending clearance of applicants' cheques.

Instructions

- The cheque should be made payable to Baring Brothers & Co., Limited and crossed "Not Negotiable".
- Please pin the cheque to this form where indicated. Staples should not be used.
- A separate cheque, which must be drawn on a bank or branch thereof in England, Scotland or Wales, must accompany each application.
- In the case of joint applicants, all must sign and in the case of a corporation, this form must be completed under hand by an authorised official whose designation must be stated.
- No receipt will be issued for the amount paid on application, but an acknowledgment will be forwarded in due course either by a fully paid renounceable Letter of Acceptance (together, if applicable, with a cheque for any amount overpaid) or by return through the post of a cheque for the amount paid on application.

*Definitions. For the purposes of the Exchange Control Act 1947—
The Scheduled Territories at present comprise: The British Commonwealth (except Canada and Rhodesia), the Irish Republic, British Trust Territories, British Possessions and Protectorates, Jordan, the Hashemite Kingdom of Jordan, Kuwait, Libya, South Africa, South West Africa, Western Samoa and the People's Democratic Republic of Yemen.
Authorised Depositaries are listed in the current issue of the Bank of England's Notice SC. 1 and include Banks, Stockbrokers and Solicitors practising in the United Kingdom and the Channel Islands. Approved Agents in the Irish Republic are defined in the current issue of the Bank of England's Notice E.C. 10.

Stamp of Banker or Stockbroker claiming brokerage

Application has been made to the Council of The Stock Exchange, London for permission to deal in and for quotation for the Stock now offered.
The Application List will open at 10 a.m. on Thursday, 12th August, 1971 and will close on the same day.
Applications for the Stock must be made to Baring Brothers & Co., Limited on the forms provided.



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT



Offer for Sale of £10,000,000 8 per cent. Stock 1976 at par

**BARING BROTHERS & CO.,
LIMITED**

**HAMBROS BANK
LIMITED**

**LAZARD BROTHERS & CO.,
LIMITED**

**MORGAN GRENFELL & CO.
LIMITED**

**N. M. ROTHSCHILD & SONS
LIMITED**

**J. HENRY SCHRODER WAGG & CO.
LIMITED**

Procedure for Application

Applications must be for a minimum of £100 nominal of Stock or multiples thereof and must be made on the Application Forms provided. For convenience form is annexed. Completed Application Forms, accompanied by remittances for the full amount payable, should, if sent by post, be forwarded to Baring Brothers & Co., Limited, New Issues Department, 8 Bishopsgate, London, EC2N 4AE, so as to arrive there not later than 10 a.m. on Thursday, 12th August, 1971. Applications not sent through the post should be delivered to Baring Brothers & Co., Limited at 145, Leadenhall Street, London.

A separate cheque for the full amount payable must accompany each application and must be made payable to Baring Brothers & Co., Limited, drawn on bank or a branch thereof in England, Scotland or Wales and crossed "not negotiable".

Baring Brothers & Co., Limited reserve the right to present all cheques for payment on receipt, to retain Letters of Acceptance and surplus application moneys pending clearance of applicants' cheques, and to reject or scale down any application.

If any application is not accepted or is accepted for a smaller amount of Stock than the amount applied for, the application moneys or the excess amount hereof will be returned to the applicant by cheque sent through the post at the applicant's risk.

Fully paid Letters of Acceptance will be sent by post to successful applicants at their risk and will be renounceable up to and including 4th October, 1971. Stock Certificates will be posted on 5th November, 1971.

Brokerage of 1/2 per cent. will be paid on the nominal amount of Stock allotted pursuant to applications for the Stock (other than applications arising out of underwriting) bearing the stamp of a recognised Banker or a Member of a Stock Exchange in the United Kingdom.

Copies of this Offer for Sale and Application Forms may be obtained from:

Baring Brothers & Co., Limited,
8, Bishopsgate, London, EC2N 4AE.

Hambros Bank Limited,
41, Bishopsgate, London, EC2P 2AA.

Lazard Brothers & Co., Limited,
11, Old Broad Street, London, EC2P 2HT.

Cazenove & Co.,
12, Tokenhouse Yard, London, EC2R 7AN.

Pannure Gordon & Co.,
21, Austin Friars, London, EC2N 2ES.

Morgan Grenfell & Co. Limited,
23, Great Winchester Street, London, EC2P 2AX.

N. M. Rothschild & Sons Limited,
New Court, St. Swithin's Lane, London, EC4P 4DU.

J. Henry Schroder Waggs & Co. Limited,
120, Cheapside, London, EC2V 6DS.

Rowe & Pitman,
Woolgate House, Coleman Street, London, EC2R 5BL.

Joseph Sabag & Co.,
3, Queen Victoria Street, London, EC4N 6DX.

INFORMATION RELATING TO THE STOCK

Constitution of the Stock

The £10,000,000 8 per cent. Stock 1976 ("the Stock") was created by resolution of the Executive Directors of the International Bank for Reconstruction and Development ("the Bank") passed on 3rd August, 1971 and is constituted as an unsecured obligation of the Bank by an Instrument ("the Instrument") dated 6th August, 1971 executed by the Bank and deposited with Baring Brothers & Co., Limited ("Barings").

The Stock is not an obligation of any Government.

Interest

Interest at the rate of 8 per cent. per annum will be payable half-yearly on 31st January and 31st July. The first payment of interest, calculated from 3rd August, 1971 and amounting to £377 (gross) per £100 Stock, will be made on 31st January, 1972.

Taxation on Interest

Interest on the Stock will be payable without deduction of United Kingdom tax pursuant to the terms of The Bretton Woods Agreements Order in Council 1946. Recipients who are resident outside the United Kingdom will not normally be chargeable to United Kingdom tax on the interest. Interest received by overseas life assurance companies and banks who are resident abroad and carrying on business (through a branch or otherwise) in the United Kingdom, or by Lloyd's Underwriters, will be taken into account under the special rules applicable to such concerns for tax purposes in computing their profits arising in the United Kingdom. Recipients who are resident in the United Kingdom may be chargeable to United Kingdom tax depending on their circumstances.

Redemption and Purchase

The Stock is to be repaid at par, together with accrued interest, on 31st July, 1976. The Bank may at any time purchase Stock on any recognised stock exchange or by tender (available to all Stockholders alike) at any price or by private treaty at a price (inclusive of expenses and accrued interest) not exceeding £110 per cent. but save as aforesaid the Bank may not purchase any Stock. The Bank will be entitled to deal with Stock so purchased, which may be cancelled or not as the Bank thinks fit.

Negative Pledge Covenant

So long as any principal moneys or interest remain due in respect of the Stock, the Bank will not cause or permit to be created on any of its property or assets any mortgage, pledge, lien or charge as security for any bonds, stock or other evidences of indebtedness heretofore or hereafter issued, assumed or guaranteed by the Bank for money borrowed (other than mortgages, pledges, liens or charges on property purchased by the Bank as security for all or part of the purchase price thereof) unless the Stock shall be secured by such mortgage, pledge, lien or charge equally and rateably with such other bonds, stock or evidences of indebtedness.

Remedy on Default

If the Bank shall default in the payment of any principal moneys or interest due in respect of the Stock or in respect of any other bonds, stock or similar obligations which shall have been issued, assumed or guaranteed by the Bank or in the performance of any covenant in respect of any purchase fund or sinking fund applicable to any such other bonds, stock or similar obligations and such default shall continue for a period of 90 days, then at any time thereafter and so long as such default shall subsist the holder of any of the Stock may deliver or cause to be delivered to the Bank at its principal office in Washington, D.C., or to Barings in London written notice that such holder elects to declare the principal of all Stock held by him to be due and payable and on the thirtieth day after such notice is so delivered the principal of such Stock shall become due and payable, unless prior to that time all such defaults theretofore existing shall have been cured.

Modification of Rights

A meeting of the Stockholders shall have power exercisable by Extraordinary Resolution (as defined in the Instrument) to amend or to modify any of the provisions contained in the Instrument and to sanction any modification or compromise of or any arrangement in respect of or abrogation or release of the rights of the Stockholders against the Bank. The quorum required for the passing of an Extraordinary Resolution is the holders present in person or by proxy representing a clear majority in nominal amount of the Stock for the time being outstanding. At any adjourned meeting the Stockholders present will form a quorum.

Transfers

The Stock is to be registered and transferable in amounts or multiples of £1. Under the Finance Act 1951 transfers of the Stock will be free of United Kingdom stamp duty.

Paying Agent

The Bank has appointed Barings as Paying Agent and Registrar of the Stock.

Trustee Status

When quoted the Stock will be an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961.

Building Society Status

When quoted the Stock will be an investment falling within Part 1 of the Schedule to The Building Societies (Authorised Investments) Order 1962.

UNDERWRITING

The Bank has entered into a Contract dated 8th August, 1971 with Barings, Hambros Bank Limited, Lazard Brothers & Co., Limited, Morgan Grenfell & Co., Limited, N. M. Rothschild & Sons Limited and J. Henry Schroder Waggs & Co., Limited ("the Issuing Houses") whereby the Issuing Houses have subscribed at the price of £98 1/2 per cent. for the whole of the Stock, for payment in full on 18th August, 1971, with a view to offering it for sale to the public. The Contract provides that the Issuing Houses will pay underwriting and overriding commissions of 1 per cent. and 1/2 per cent. respectively on the nominal amount of the Stock and the above mentioned brokerage.

PROCEEDS OF ISSUE

The net proceeds to the Bank of the issue of the Stock will be used in the general operations of the Bank, which are concerned mainly with the financing of projects in developing countries.

CURRENCY EQUIVALENTS

Unless otherwise stated, references under "Information Relating to the Bank" to dollars are to United States dollars and the symbol "\$" means United States dollars. Amounts in other currencies have been converted into United States currency on the basis stated in "Notes to Financial Statements" (General (1)) set out below.

INFORMATION RELATING TO THE BANK

1. General Description

The Bank is an international institution, the members of which are governments. It was established and is operating under Articles of Agreement ("the Articles") signed by those governments. The Bank officially began operations on 25th June, 1946. The principal office of the Bank is located in Washington, D.C. 116 governments are now members of the Bank. Information relating to the members of the Bank as at 30th June, 1971 is set out below in "Statement D - Subscriptions to Capital Stock and Voting Power".

The principal purposes of the Bank are:

- to assist in the reconstruction and development of its member countries by facilitating the investment of capital for productive purposes, thereby promoting the long-range growth of international trade and the improvement of standards of living;
- to promote private foreign investment by guarantees of or participations in loans and other investments made by private investors; and
- when private capital is not available on reasonable terms, to supplement private investment by making loans for productive purposes out of its own resources or funds borrowed by it.

2. Capital

The authorised capital of the Bank is \$27,000,000,000 in terms of United States dollars of the weight and fineness in effect on 1st July, 1944, divided into 270,000 shares of the par value of \$100,000 each. At 30th June, 1971, the total subscribed capital was \$23,871,000,000 of which 10 per cent. had been paid up. Certain members have been authorised by resolution of the Board of Governors of the Bank to subscribe additional shares of the Bank's capital up to an aggregate amount of \$1,868,300,000; of this amount \$17,800,000 had been subscribed as at 31st July, 1971 of which 10 per cent. had been paid up.

Of the subscribed capital at 30th June, 1971:—

- \$318,018,298 paid in gold or United States dollars may, under the Articles, be freely used by the Bank in any of its operations.
- The equivalent of \$2,066,414,381 paid in the currencies of the subscribing members may, under the Articles, be lent only with the consent of the member whose currency is involved. As at 30th June, 1971, the equivalent of \$1,840,400,000 had with such consent been used for lending purposes or allocated for such use. An additional amount equivalent to \$2,669,321 in this category was due from five members in order to maintain the value of their currencies as required by the Articles. (See Note A in the "Notes to Financial Statements" set out below.)
- The equivalent of \$19,096,800,000 may, under the Articles, be called only when required to meet obligations of the Bank for funds borrowed or on loans guaranteed by it. This amount is thus not available for use by the Bank in making loans. Payment on any such call may be made, at the option of the particular member, either in gold, in United States dollars or in the currency required to discharge the obligations of the Bank for which the call is made. No calls have been made on this portion of the subscribed capital.

Pursuant to resolutions of the Board of Governors of the Bank, the equivalent of \$2,387,000,000 is to be called only when required to meet obligations of the Bank for funds borrowed or on loans guaranteed by it. On calls on this amount, 10 per cent. would be payable in gold or United States dollars and 90 per cent. in the currencies of the subscribing members. While these resolutions are not legally binding on future Boards of Governors, they do record an understanding among members that such amount shall not be called for use by the Bank in its lending activities or for administrative purposes.

The uncalled subscribed capital referred to in (3) and (4) above, totalling the equivalent of \$21,483,900,000, is a part of the assets of the Bank of which it is bound to avail itself when and to the extent necessary to meet obligations of the Bank for funds borrowed or on loans guaranteed by it. The obligations of the members of the Bank to make payment on calls on this amount are independent of the Bank's obligations to its members under the Articles. On such a call would not excuse any other member from its obligation to make payment. However, no member may be required to pay more than its unpaid subscription.

The Bank has not declared or paid any dividends to its members.

3. Funded Debt

At 30th June, 1971 the Funded Debt of the Bank, expressed in United States dollars, amounted to the equivalent of \$5,424,161,542. Details of the composition of this sum and certain further information relating thereto are set out below in "Statement F—Summary of Funded Debt". The above amount, as adjusted by the amounts of the transactions referred to in the footnote to that statement, should be further adjusted by subsequent net borrowings in Germany of the equivalent of \$22,819,672. In addition the Bank has announced that it intends to offer for sale \$175,000,000 Twenty-Five Year Bonds in the United States on 11th August, 1971.

4. Membership of United Kingdom

The United Kingdom became a member of the Bank pursuant to the Bretton Woods Agreements Act, 1945. The United Kingdom has subscribed \$2,600,000,000 of the capital of the Bank and is entitled to cast 26,250 votes, i.e. approximately 10 per cent. of the total votes of all present members. In respect of its subscription, the United Kingdom has paid an amount equivalent to \$260,000,000 as follows: \$260,000,000 in United States dollars and \$234,000,000 in pounds sterling. The unpaid portion of the subscription of the United Kingdom of \$2,340,000,000 equivalent may be called only when required to meet obligations of the Bank for funds borrowed or on loans guaranteed by it. As to \$2,090,000,000 the restriction on such calls is imposed by the Articles and as to \$260,000,000 by resolutions of the Board of Governors.

5. Operations of the Bank

Loan Policy

The Bank's lending operations have conformed generally to five principles derived from the provisions of the Articles. They are:—

- The Bank makes loans either to member governments or to governmental authorities or agencies or private enterprises in the territories of member governments. A loan which is not made directly to the government in those territories the project being financed is located must be guaranteed as to principal, interest and other charges by the government or its central bank or a comparable agency of the government acceptable to the Bank. A guarantee by the government itself has been required in all such cases to date. (See, however, "Bank Loans to IFC".)
- Loans must be for productive purposes. Loans which, in the Bank's opinion, cannot be justified on economic grounds are excluded.
- In making loans, the Bank must act prudently and pay due regard to the prospects of repayment, taking into account the necessity of the borrower obtaining the foreign exchange required for service of the loan.
- The Bank does not make loans which are obtainable in the private market on reasonable terms. The Bank is intended to promote private investment, not to compete with it, and does not undertake business which private investors are willing to transact on a reasonable basis.
- The use of loan proceeds is supervised. The Bank makes arrangements to ensure that funds loaned are used only for authorised purposes, with due attention to considerations of economy and efficiency.

Within the scope permitted by the Articles, this policy must necessarily be developed and adjusted in the light of experience and changing conditions.

Loan Operations

The Articles contain a provision whereby the total amount outstanding of guarantees, participations in loans and direct loans made by the Bank may not be increased at any time to an amount in excess of the total subscribed capital, reserves and surplus of the Bank as at that time.

Funds for disbursements under loans made by the Bank have been obtained from the Bank's paid up capital, from funds derived from the Bank's operations, from the issue of its own obligations, from loan repayments and from sales of

portions of loans. (See "Statement C—Source and Application of Funds" set out below.)

From its establishment to 30th June, 1971, the Bank had entered into loan commitments, in an aggregate principal amount equivalent to \$16,493,527,893, to finance programmes or projects in 89 countries. The loan commitments effective and held by the Bank as at 30th June, 1971 totalled \$9,980,181,357, of which the undisbursed balance was \$3,394,203,765.

Further details of loans made by the Bank which were outstanding at 30th June, 1971 are set out below in "Statement E—Summary of Loans". These loans were made for the following purposes expressed in broad categories: electric power, transportation and communications, industry, agriculture and forestry, water supply, education, family planning, tourism, general development and reconstruction.

The Bank estimates that total disbursements up to 30th June, 1971 for the purchase in the United Kingdom of goods and services financed by Bank loans amounted to the equivalent of approximately \$1,541,000,000.

Other Activities

In addition to its financial operations, the Bank has furnished technical assistance to its member countries, both in connection with and independently of loan applications. Such assistance has taken a variety of forms, including the assignment of qualified technicians to survey development possibilities of member countries, to analyse their fiscal and economic problems, to appraise projects suitable for investment and to assist member countries in drawing up development programmes. To assist the developing countries the Bank has also established an Economic Development Institute: this provides for selected groups of key government officials an intensive course in economic policy and administration. Furthermore, the Bank has on a number of occasions, at the request of member governments concerned, lent its good offices in connection with the settlement of international economic and financial problems.

6. Affiliated Institutions

The activities of the Bank are supplemented by those of two affiliated international institutions, the International Finance Corporation (IFC) and the International Development Association (IDA). Membership of these institutions is open only to member governments of the Bank.

IFC's purpose is to promote economic development by encouraging the growth of productive private enterprise in its member countries and to make investments in such enterprises without government guarantees. As at 30th June, 1971, 96 governments were members of IFC which at that date had a subscribed capital of \$107,157,000 all of which had been paid up.

IDA's purpose is to promote economic development in the less developed areas of the world included within IDA's membership by providing finance on terms which are more flexible and bear less heavily on the balance-of-payments than those of conventional loans. As at 30th June, 1971, 107 governments were members of IDA and their subscriptions and supplementary contributions totalled the equivalent of \$3,015,012,000, and transfers to IDA by the Bank have been made as indicated below. At 30th June, 1971, credit commitments of IDA, net of cancellations, refundings and repayments, totalled the equivalent of \$3,340,051,556. Based on the outcome of discussions among donor countries, the Board of Governors of IDA adopted a resolution on 17th February, 1971 providing for a replenishment of IDA's resources of the equivalent of approximately \$800,000,000 per year for the three-year period ending 30th June, 1974 in order to make available funds for commitment in that period. For the replenishment to become effective, legislative authorisation will be required in certain countries.

Executive Directors of the Bank serve ex officio on the Board of Directors of IFC and as Executive Directors of IDA if in either case they represent at least one government which is a member of the institution concerned. The President of the Bank is also the President of IFC and IDA. IDA and the Bank have the same staff, and IFC, although employing its own staff, shares some staff members with the Bank. However, IFC and IDA are each legal entities which are separate and distinct from the Bank.

Bank Loans to IFC

The Articles permit the Bank to make loans to IFC without government guarantees, subject to the limitation that the Bank may not lend IFC any amount which would increase IFC's total outstanding debt incurred from any source to an amount in excess of four times the total of IFC's subscribed capital and surplus, such total at 30th June, 1971 being \$107,157,000. The Bank has loaned IFC the equivalent of \$220,000,000.

Transfers to IDA

In respect of each of the Bank's seven fiscal years ended on 30th June in 1964 to 1970 the Bank decided that its financial position made it unnecessary to retain all earnings for those years in the business, and that it would transfer as grants amounts aggregating the equivalent of \$485,000,000 out of its earnings for those years to IDA. In addition, the Bank by resolution adopted by the Board of Governors in August, 1971, decided to transfer \$110,000,000 of the net income for the fiscal year ended 30th June, 1971 by way of grant to IDA. In September 1964, the Bank adopted the following statement of policy in connection with transfers of this nature:

"Any transfers to the Association will be made only out of net income which (i) accrued during the fiscal year in respect of which the transfer is made and (ii) is not needed for allocation to reserves or otherwise required to be retained in the Bank's business and, accordingly, could prudently be distributed as dividends."

7. Administration of the Bank

The Bank's administration is composed of the Board of Governors, the Executive Directors, and the President, other officers and staff.

All the powers of the Bank are vested in the Board of Governors. Each member of the Bank is entitled to appoint one Governor and an Alternate Governor who exercise the voting power to which that member is entitled. Each member is entitled to 250 votes plus one vote for each share held. The Board holds regular annual meetings.

There are, at present, twenty-one Executive Directors. The six members having the largest number of shares in the capital of the Bank (the United States, the United Kingdom, Germany, France, Japan and India) have each appointed one Executive Director and the remaining fifteen have been elected by the Governors representing the other members. The Board of Governors has delegated to the Executive Directors authority to exercise all the powers of the Bank except those reserved to the Governors under the Articles. The Executive Directors function as a board and each Executive Director is entitled to cast the number of votes of the member or members by which he was appointed or elected.

The President is selected by the Executive Directors. Subject to their direction on questions of policy, he is responsible for the conduct of the ordinary business of the Bank and for the organisation, appointment and dismissal of its officers and staff.

Executive Directors

The following is a list of the Executive Directors of the Bank and the member governments by which they were appointed or elected.

Executive Directors	Member Governments
Robert E. Wiczenkowski	United States
D. J. Mitchell	United Kingdom
Fritz Stedfeld	Germany

Executive Directors (continued) —

Marc Vénot	France
Satoru Hanori	Japan
S. R. Sen	India
S. Osman Ali (Pakistan)	Iran, Iraq, Jordan, Kuwait, Lebanon, Pakistan, Saudi Arabia, Syrian Arab Republic, United Arab Republic, Yemen Arab Republic, People's Democratic Republic of Yemen
Giorgio Rota (Italy)	Italy, Portugal, Spain
Claude M. Isbister	Canada, Guyana, Ireland, Jamaica
R. Lindsay Knight	Australia, New Zealand, South Africa
(New Zealand)	
André van Campenhout	Austria, Belgium, Luxembourg, Turkey
Donatien Bilute	Botswana, Burundi, Equatorial Guinea, Ethiopia, The Gambia, Guinea, Kenya, Lesotho, Liberia, Malawi, Nigeria, Sierra Leone, Sudan, Swaziland, Tanzania, Trinidad and Tobago, Uganda, Zambia
(Burundi)	China, Korea, Viet-Nam
Reignson C. Chen	Cyprus, Israel, Netherlands, Yugoslavia
(China)	
Alfred Rinnqvist	Denmark, Finland, Iceland, Norway, Sweden
(Finland)	
Abderrahman Tazi	Afghanistan, Algeria, Ghana, Greece, Indonesia, Khmer Republic, Libya, Morocco, Tunisia
(Morocco)	
Mohamed Nassim	Cameroun, Central African Republic, Chad, Democratic Republic of Congo, People's Republic of Congo, Dahomey, Gabon, Ivory Coast, Madagascar, Mali, Mauritania, Mauritius, Niger, Rwanda, Senegal, Somalia, Togo, Upper Volta
Kochman (Mauritania)	Costa Rica, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Peru, Venezuela
Adrian Lajoux	Brazil, Colombia, Dominican Republic, Ecuador, Philippines
(Mexico)	Argentina, Bolivia, Chile, Paraguay, Uruguay
Virgilio Barco	Burma, Ceylon, Laos, Malaysia, Nepal, Singapore, Thailand
(Colombia)	
Luis B. Mey	
(Argentina)	
Mrs. Supari	
Yossundera (Thailand)	

Principal Officers

The following is a list of the principal officers of the Bank:

Robert S. McNamara	President
J. Burke Knapp	Vice President and Chairman, Loan Committee
S. Aldewereld	Vice President—Finance
General Counsel	General Counsel
Hollis S. Cheney	Economic Adviser to the President and Chairman, Economic Committee
Richard H. Demuth	Director Development Services Department
Sir Denis Rickett	Vice President
Mohamed Shoaib	Vice President
Eugene H. Rottberg	Treasurer
K. Georg Gabriel	Controller
M. M. Mendels	Secretary

*Member, the President's Council

8. The Articles of Agreement

The Articles constitute the Bank's governing charter. They establish the status, privileges and immunities of the Bank, prescribe the Bank's purposes, capital structure and organisation, authorise the operations in which it may engage and prescribe limitations on the carrying on of those operations. The Articles also contain, among other things, provisions with respect to the admission of additional members, the increase of the authorised capital of the Bank, the terms and conditions under which the Bank may make or guarantee loans, the use of currencies held by the Bank, the distribution of the net income of the Bank to its members, the withdrawal and suspension of members and the suspension of operations of the Bank.

The Articles provide that they may be amended (except for certain provisions the amendment of which requires acceptance by all members) by consent of three-fifths of the members having four-fifths of the total voting power. The Articles further provide that questions of interpretation of provisions of the Articles arising between any member and the Bank or between members of the Bank shall be decided by the Executive Directors. Their decisions may be referred by any member to the Board of Governors whose decision is final. Pending the result of such reference the Bank may act on the basis of the decision of the Executive Directors.

9. Legal Status, Privileges and Immunities

The Articles contain provisions which, as applied by legislation of each of its members, accord to the Bank legal status and certain immunities and privileges. The following is a summary of the more important of these provisions:—

The Bank has full juridical personality with capacity to make contracts, to acquire and dispose of property and to sue and be sued. Actions may be brought against the Bank in the territories of any member in which the Bank has an office, has appointed an agent for accepting service or notice of process, or has issued or guaranteed securities, but no actions against the Bank may be brought by its members or persons acting for or deriving claims from its members.

The Governors and Executive Directors, and their Alternates, and the officers and employees of the Bank are immune from legal process for acts performed by them in their official capacity, except when the Bank waives such immunity.

The archives of the Bank are inviolable. The assets of the Bank are immune from seizure, attachment or execution prior to delivery of final judgment against the Bank.

The Bank, its assets, property, income, and its operations and transactions authorised by the Articles, are immune from all taxation and from all customs duties. The Bank is also immune from liability for the collection or payment of any tax or duty. No taxation of any kind may be levied on any obligation issued by the Bank or interest thereon which discriminates against such obligation solely because it is issued by the Bank, or if the sole jurisdictional basis for such taxation is the place or currency in which it is issued, made payable or paid, or the location of any office or place of business maintained by the Bank.

Although not a member of the Bank, Switzerland has entered into an agreement with the Bank which recognises the Bank's international personality and legal capacity (including status of suits by and against the Bank) and grants privileges and immunities which correspond in large part to those which the Bank enjoys in the territories of its members.

Apert from certain additional information in Statement B relating to the four fiscal years ended 30th June, 1970 the following Statements have been extracted from the audited Financial Statements of the Bank for its fiscal year ended 30th June, 1971. There is also set out the opinion of the Independent Auditor on those Statements as expanded to include reference to the additional information mentioned above.

ASSETS				LIABILITIES, RESERVES AND CAPITAL	
	\$	\$		\$	\$
Due from Banks and Other Depositories			Liabilities		
Unsettled currencies	51,337		Accrued interest on borrowings		118,087
Currencies subject to restrictions—Note A	79,026		Accounts payable and other liabilities		18,349

Expressed in United States Currency (In Thousands)—See Notes to Financial Statements

Expressed in United States Currency (In Thousands)—See Notes to Financial Statements

Statement D - SUBSCRIPTIONS TO CAPITAL STOCK AND VOTING POWER AT 30th JUNE 1971

Expressed in United States Currency (in Thousands)—See Notes to Financial Statements

Amounts aggregating the equivalent of \$2,689,321, receivable as a result of revaluation of these currencies, are not included in the "Amounts Paid in" column. The equivalent of \$408,000 has been received from members on account of increases in subscriptions which are in process of completion: Jamaica \$48,000, Iran \$284,000, Trinidad and Tobago \$58,000.

Expressed in United States Currency (In Thousands)
See Notes to Financial Statements

Expressed in United States Currency (In Thousands)
See Notes to Financial Statements

Statement E.—SUMMARY OF LOANS AT 30th JUNE, 1971

Expressed in United States Currency (in Thousands)
See Notes to Financial Statements

Summary of currencies repayable on effective loans

Currency	Amount \$
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[illegible]

Expressed in United States Currency (In Thousands)

Expressed in United States Currency (in Thousands)

**Loan made for joint benefit of territories listed (Southern Rhodesia is included in all)*

A loan has also been made to the International Finance Corporation.

(1) The following table shows the aggregate principal amount of maturities, sinking payments and, in the case of certain Canadian issues, non-cumulative purchase

fund requirements and, in the case of certain Canadian issues, non-commercial general fund requirements each year for the five years following the date of this statement:

NOTES TO FINANCIAL STATEMENTS AT 30th JUNE 1971

Note A

"restricted currency") can be used for lending purposes only with the approval of the members concerned. The amounts of \$73 025 792 under the heading

"Due from banks and other depositories" and \$382,390,842 under the heading

Unrestricted.

Amounts of commissions set aside pursuant to Article IV, Section 6, a

Note C

Of the \$211,747,168 net income earned in the fiscal year ended 30th June 1971, in July, 1971 the Executive Directors allocated \$101,747,168 to

Note D

In terms of United States dollars of the weight and fineness in effect 1st July, 1944.

Subject to call by the Bank only when required to meet the obligations of the Bank created by borrowing or by guaranteeing loans. As to \$19,086,800.00

the restriction on calls is imposed by the Articles of Agreement; as \$2,387,100,000 by resolutions of the Board of Governors.

(1) Amounts in currencies have been expressed in United States dollars in the cases of 82 members, at the par values as specified in the "Schedule

Par Values" published by the International Monetary Fund and in the cases the remaining 34 members of the group used the same method.

OPINION OF INDEPENDENT AUDITOR

To International Bank for Reconstruction and Development
Washington, D.C.

position of International Bank for Reconstruction and Development at the

June 1971, the results of its operations for each of the five years then ended and the sources and applications of its funds.

the sources and applications of funds for each of the two years then ended in conformity with generally accepted accounting principles consistently applied.

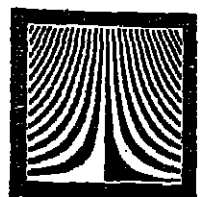
Our examinations of these statements were made in accordance with general accepted auditing standards.

accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered

necessary in the circumstances.

Washington, D.C. Price Waterhouse & Co.

3rd July, 1971



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PROCESSES

BP offers licence

BRITISH Petroleum's isomerisation process converts low-octane number normal paraffins to highly branched iso-paraffins of high octane number which can be included in motor gasoline blends, reducing the requirement for anti-knock lead additive. Isomerisation is effected by a platinum-alumina base catalyst. The company has now authorised Englehard Minerals and Chemicals Corporation of U.S.A. to receive and progress technical inquiries on the isomerisation process on a world-wide basis. The process is available under licence from BP Trading, Moor Lane, London, E.C.2.

With the recent successful start-up of a 6,000 barrels a day unit at BP Italiana S.p.A. refinery at Volpiano, near Turin, there are

now in commercial operation three BP isomerisation process units with a total capacity of 15,000 barrels a day for the upgrading of pentane and hexane feedstocks. Antar Petroles de L'Atlantique employ isomerisation at Danges in Brittany and Industria Rafinazione Oli Minerali use the process at an installation near Venice.

Three more units with a total capacity of more than 34,000 barrels a day are either under construction or at the design stage.

Catalyst base for these units is being supplied from production facilities of either Englehard Minerals and Chemicals Corporation in the U.S. or those of its affiliates. Kallchemie-Engelhard, in Hanover, West Germany.

Lengthens the life of cloth

AS a result of development work on Northern Rubber Company's back-coating unit, the company is now offering a fabric impregnation service.

The process enables the company to impregnate many materials with various combinations of resins for extending the life of either natural or synthetic cloths. Fabric to be treated is brushed, vacuumed and then passed through a trough containing the resin mixture.

Rollers then squeeze out excess liquid, water is evaporated and then the resin is polymerised. Impregnation, a kind of "semi-starching" process for stabilising fabric, doubles resistance to abrasion, prevents seam slippage, laddering and fraying and reduces shrinkage by up to 10 per cent, according to the company.

Northern Rubber is able to treat most types of natural and man-made fibre cloths, but only quantities of nominal 5,000 yards or more are accepted, as the 120 feet long plant is operated on a continuous running basis.

However, the company accepts mill samples from customers for demonstration purposes. The company which is at Retford, Notts., is a member of the Regier-Hattersley Group.

Ultraviolet high speed ink drying

PRINTING inks usually depend on either stock penetration, oxidation, application of heat, or moisture setting for drying. All of these methods have certain disadvantages.

It is claimed that a new method of drying with ultraviolet energy and photosensitive inks has many advantages over conventional systems. In sheet fed work there will no longer be the need to wait overnight for drying by oxidation. Spray powder becomes unnecessary, and because of the press stability of the new ink there is no downtime caused by drying on the press or by machine wash-ups.

The ink, the Ultraking range, has been developed by the Fishburn Printing Ink Company, St. Albans Road, Watford, WD2 4BU, mainly for lithographic printing. On a production two-colour sheet-fed lithopress they have demonstrated the drying of photosensitive inks on both paper and board at speeds of 6,000 l.p.m. In the U.S. the ink has been used on a four-colour web-offset press at speeds of 1,050 l.p.m.

The UV cure technology can be applied to letterpress printing, and work on overprint varnishes, functional coatings and flexography inks is in progress.

● COMPUTERS

Grant for Dataterm 3 from NRDC

THE National Research and Development Corporation (NRDC) has agreed to provide up to £100,000 for the further development of Dataterm 3, the data capture terminal/reader made by Data Recognition of Loversock Road, Reading, B.R. The money will be repaid by a percentage of sales of products resulting from the agreement.

Formed about 3½ years ago, Data Recognition specialises in optical mark reading (OMR) techniques which enable data prepared in the form of simple hand or machine-made marks on documents to be converted automatically into a form suitable for computer processing, thus avoiding the need to key punch.

The company has recently supplied a Dataterm 3 machine to the Medical Computing Services Department of Charing Cross Hospital. It will be used initially in conjunction with a paper tape punch to convert data, recorded by doctors, laboratory and administrative staff as marks on pre-printed forms, into punched tape for input to a computer, but eventually will be connected on-line to an in-house computer.

ERA studies peripherals

TWO further new studies concerning minicomputers are to be undertaken by the Electrical Research Association, of Cleve Road, Leatherhead, Surrey. One will be directed towards peripherals suitable for these smaller machines and the other will examine interfaces between minicomputers and their peripherals.

With peripherals forming an increasing proportion of system cost, ERA believes that there is an urgent need for an independent and reliable assessment of the peripheral market, and that their independence of commercial interest gives them a major advantage in carrying out this kind of work.

ERA says that the practice of purchasing a computer system from a single supplier is becoming

less attractive as minicomputers become more powerful and are built into increasingly complex systems. The process studies group at the association is to devote several man years to a detailed study of the engineering aspects of interfacing a range of devices to minicomputers, together with a study in depth of the technology, performance and availability of minicomputer peripherals.

The studies will mainly address themselves to the needs of users. However, ERA says that they will be of direct concern to suppliers of equipment, and consultants, from whom it would like to hear if not already approached.

The results of each project will be available only to organisations that support it financially. This shared cost arrangement, says ERA, provides clients with the unique opportunity to derive maximum benefit at low cost for many man years of effort expended by the association.

The project fee is £175 for ERA members and £200 for others.

● MATERIALS

Insulation in furnaces

FOUR grades of slab insulation material for furnaces developed by the Skamol Group of Denmark are now being marketed in the U.K. by Refractulation of Arcade Chambers, Eltham High Street, London, SE8.

The standard slab insulation, say this company, is basically made of calcined diatomaceous earth and is suitable as a back-up insulation for temperatures up to 950°C. It is softish in texture to incorporate a degree of compressibility in order to take up any undue stresses in refractory brickwork.

Rigid slab insulation, manufactured from the same raw material as the standard, but harder in texture and greater in density, has a maximum temperature range as back-up medium of 750°C. In order to increase its structural stability it has no compressibility.

For situations where the interface temperature can be as high as 1,100°C, a vermiculite based slab is available, while a composite slab based on vermiculite on the hot face and diatomaceous earth on the back can be used for temperatures up to 1,100°C.

The slabs are supplied in maxi-



Now being produced by Rempstone Engineering of Loughborough, Leics., this bench-type pneumatic press is operated by a Scovill/Schneider pneumatic system operating at 80 lbs per square inch. The press can exert a force of 10 tons on material 0.048-inches thick. It is claimed to be suitable for many operations, including embossing, forming, piercing and bending.

mum sizes of 36 by 12 inches and thickness from one to four inches. A plastic compound called C-31 is available for gluing the slabs on to steel or concrete frames to hold them in position while the hot face refractory work is going on.

● TRANSPORT

Fast hybrid ship for U.S. Navy

TESTS are to start in the next few weeks of a surface effect ship built specially for the United States Navy by the SES Division of Aerojet General.

Weighing 100 tons, the craft is intended to allow the navy to evaluate this type of design for military vessels. It is expected to be able to maintain speeds in excess of 80 knots, making it fast enough to outrun storms, as well as giving it an operational speed between that of an aircraft and a conventional vessel.

Initial development work on this type of ship was carried out in the U.K. where it was known as the rigid sidewall hovercraft. One of these craft, built by Denny of Dumbarton, Scotland, did in fact operate on the Thames for some time.

Aerojet's craft has rigid sidewalls, reminiscent of narrow catamaran hulls, with flexible skirts fore and aft to retain the air cushion which is generated by conventional fans. Forward thrust is supplied by two water jets mounted on the stern, so that there is neither the fouling problem associated with screws nor the noise associated with deck-mounted aircrews.

When in motion the cushion effect lifts the hull so that the sidewalls are immersed in the water to a depth of only a few inches. Wetted surface area is thus very low, keeping drag to a minimum and allowing very high speeds to be attained. It is also claimed for this type of construction that it is much more comfortable in a quartering sea than a conventional ship or a catamaran.

Directional stability of the ship is improved over normal hovercraft by the keel effect of the twin sidewalls, and the rear propulsion jets can be swivelled for low-speed manoeuvring. In addition, they are fitted with thrust reversers for slowing or reversing.

Overall size of the test craft is 82 feet long and 42 feet wide but, according to Admiral Elmo Zumwalt, Chief of Naval Operations, if the Puget Sound tests bear out the expectations of the designers, the Navy intends to go to much larger vessels weighing several thousands tons and with speeds of between 90 and 100 knots.

● COMMUNICATIONS

Faster cable jointing method used

MODULAR system splicing the rapid method of joining telephone cables developed recently by the 3M Company, has been adopted by the States of Jersey Telephone Department.

This is the first British telephone authority to use the system. The first connection modules, each designed to connect 25 pairs of insulated conductors simultaneously, have been sent to Jersey, and it is intended to use them immediately.

Each module, measuring 150mm by 15mm by 12mm, is made of three interlocking parts: base, body and cover. Test points for checking circuits are incorporated in the module. During installation, the 50 conductors from one end of the cable are laid in the base, which is held in the splice head. The body is positioned over the base, and the other 50 conductors arranged in the body. The cover is then fitted and the three components compressed to complete the join.

Excess wire is trimmed from the conductors automatically as the unit is being pressed in the crimping tool.

Frequency measuring circuit

A MONOLITHIC integrated circuit combining pulse counting, four-bit latch and decoding put driver, suitable for seven segment digital display, has been introduced by Motorola Semiconductors, of Empire Way, Wembley, Middlesex.

Designated the type MC4051, this TTL circuit has main application in frequency measurement, enabling a frequency counter to be constructed with one i.c. and one solid-state or incandescent display lamp digit.

Other applications, says the company, include period measurement, analogue to digital conversion, use in arithmetic processes and calculators with direct display of results, and computer code conversion.

The counter generates a binary-coded-decimal count input pulses which is held in a latch during a sampling period determined by external clock signals.

● INSTRUMENTS

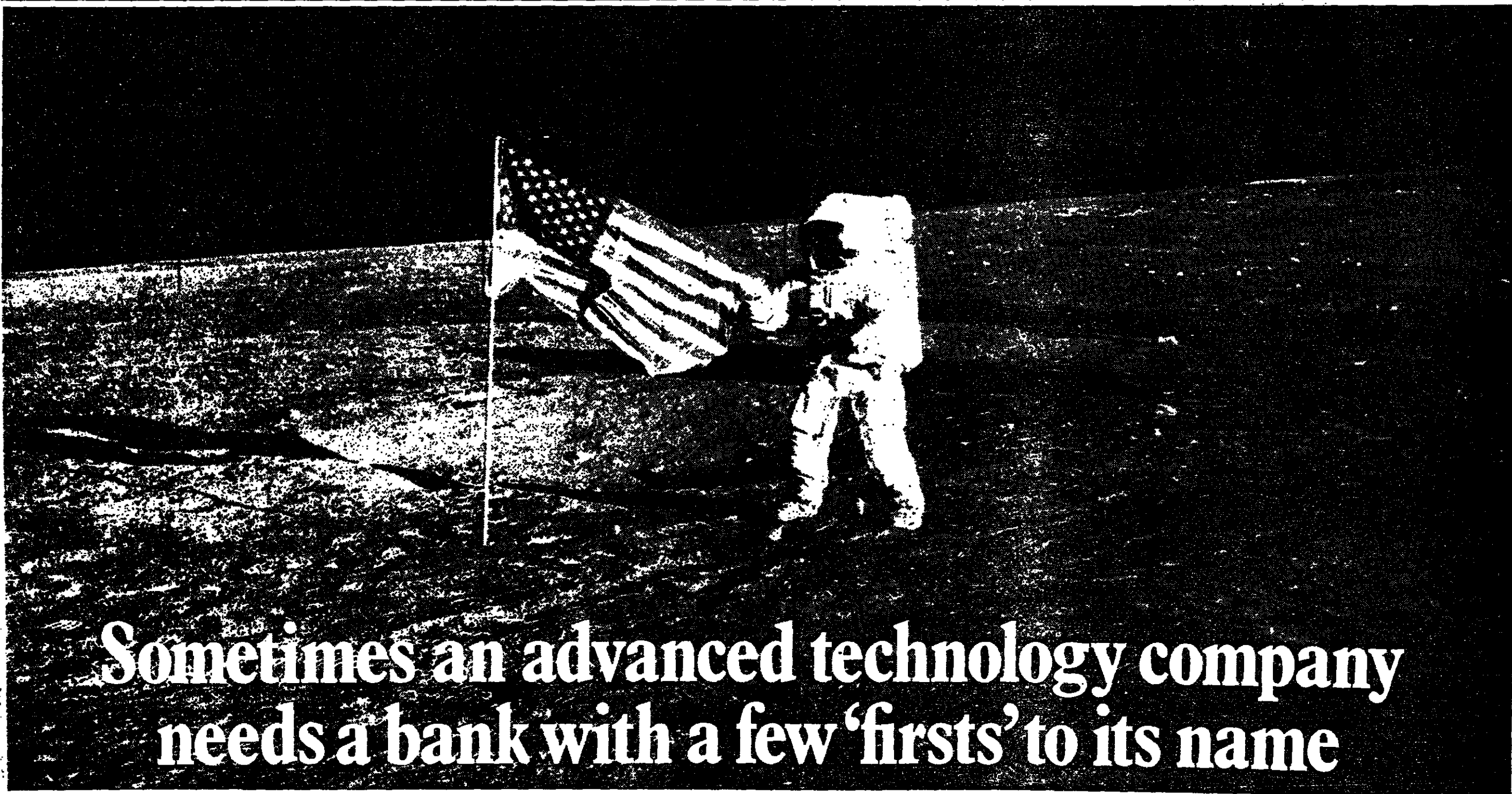
Equipment servicing aided

A New Philips 25 MHz trace oscilloscope has been introduced by Pye Unicam of York, Cambridge.

Known as the PM 3210, the instrument employs internal signal delay lines on both channels and because of this is particularly suited to digital logic and computer service work, and also has application in the communications and television areas.

The company says that servicing is a feature of the instrument, which is assembled as a building-block principle, and can be dis-assembled into seven sub-assemblies plus and re-assembled in under 10 minutes. The use of AMP connectors minimizes interconnection cables.

Stemming from the PM 3210, use of separate delay lines, each pre-amplifier chain (with the electronic switch) is a 100 p.p.s. accuracy of 2° over the range 0 to 5 MHz. This is a usual says Pye Unicam, in an instrument of this price and, coupled with the fact that it can employ interchangeable vector-display and phase-measurement gratings, permits the oscilloscope to be used as a vector display, x-y plotting, semiconductor curves and measurements.



Sometimes an advanced technology company needs a bank with a few 'firsts' to its name

When prime contractors for the Apollo Space Programme needed finance, many of them came to Citibank first.

Why? First because Citibank is in a unique position to finance major projects. Being the world's largest international bank with assets exceeding \$27,000,000,000 has its advantages.

And with a team of specialists to evaluate advanced proposals we can back our judgement with millions on down-to-earth projects.

Citibank's pioneering spirit is carried through all our banking activities. We've been first with many of banking's brightest ideas. First with a worldwide branch network. First with the Executive Banking

Plan. First with Computerised Financial Forecasting. First to introduce Certificates of Deposit in London. And first with new banking techniques like Citibank's Cash Management Service. It's saving Citibank clients thousands. By cutting borrowing costs. And increasing earnings on deposits.

Next time you need finance, talk with Citibanker Stan Howell and his team. They'll probably be able to help. Even if you're asking for the moon.

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Building and Civil Engineering

5m. Dubai land recovery scheme

A further stage in Sheikh Shaid's plans for developing the Gulf, the ruler has signed a \$5.1m. contract with a civil engineering firm for a land reclamation scheme involving the creation of some 130 acres for development purposes.

Rock fill for the seawall will be obtained from an inland quarry opened up by Costain for the Port Rashid job.

A feature of the seawall on the seaward side will be a series of rectangular shaped concrete blocks with the dual purpose of acting as armour protection at the same time as serving as a promenade for the public.

The work, designed by Sir William Halcrow and Partners, is to start shortly with completion scheduled for two years later.

Costain's experience in the dredging and land reclamation field includes such projects as the recently opened Seychelles Islands "main Foulness" operation where 250 acres of land were reclaimed from the sea for

the construction of an international airport.

Nearer home, the company is one of a consortium, including Taylor Woodrow International and the Anglo Dutch Dredging Company, set up two weeks ago to bid for dredging work connected with the Foulness airport project.

Factory and office work for Conder

TWO buildings for the British Transport Docks Board's Western Docks extension at Southampton are being constructed by the Conder Kingsworthy System under a \$22,000 contract. Both buildings—a two-storey office block and a canteen—are being

constructed on reclaimed land which called for a concrete raft foundation.

Another contract awarded to Conder, worth \$183,000, is for the superstructure of a 150,000 square feet factory complex at Estover, Plymouth, for Arrow Electrical Switches.

As well as the steel framework for the factory area, involving 333 tons of steel, Conder's Kingsworthy Metric Building System is to be used for a 20,000 square feet two-storey office block so that the project can be completed within the 12-month construction period. Main contractor is E. Thomas, of Falmouth, and the architect is Norman Kelsey.

The East Suffolk County Council is also to use the Kingsworthy System for office accommodation in Ipswich for its Architects, Social Services and Public Health Departments.

The accommodation, with a total area of 24,000 square feet,

Michelin factory

LARGEST of four contracts recently received by George Wimpey and Co. concerns a \$2m. factory for Michelin Tyre Company to be used for the production of steel cords.

To be erected at Redness, near Aberdeen, the factory will comprise a main production building, with adjoining administrative buildings, a boiler house and a main sub-station, together with general factory services and external works.

The plant will be one of the most advanced of its type, particularly in terms of working and environmental conditions, and is due for completion towards the end of next year.

Having won the first stage tender for the South West Housing Group's programme, Wimpey has been invited to negotiate for the final tender of the third generation programme of houses.

A figure of around £730,000 has been submitted as a basis for the job which involves 193 dwellings so far, to be built at the Kings Tameston Estate for the City of Plymouth, one of the 13 housing authorities in Cornwall, Devon and Somerset which form the consortium.

Construction of the homes, to include bungalows, 2, 3 and 4

bedroomed houses, will be in the Wimpey No-Fines technique. The company used the same technique for the 1,850 homes it has built under the first and second generation programmes.

At the Pottington Industrial Estate, Barnstaple, Wimpey's Plymouth office is also to build a \$600,000 factory with offices for Alenco Industrial Components (a subsidiary of Alenco—part of the Charterhouse Industries Group).

The scheme will provide 12,000 square feet of offices with 135,000 square feet of factory area for the manufacture of high pressure couplings.

George Wimpey ME and C has been awarded a contract, said to be worth over £1m., by Distal Products for the design, procurement and construction of a bacteriological seed room and culture laboratory.

To be built at the Speke antibiotic plant at Liverpool, the facilities are to be designed mainly on site by Wimpey personnel. The two-storey building of 7,500 square feet, will rationalise existing production of antibiotics by fermentation and increase capacity to meet the growing market for pharmaceuticals.

Heathrow station tenders

TENDERS are shortly to be sought for the London Transport Piccadilly Line extension from Hatton Cross to the Heathrow Airport central terminal area.

This follows the recent start by W. and C. French (Construction) on its £3.5m. cut-and-cover section from the existing Hounslow West station to Hatton Cross which is just outside the airport boundary.

While London Transport's own engineers department is responsible for the first section, Sir William Halcrow and Partners, consulting engineers, have been called in for the new section. The firm is the British Airport Authority's consultants, and has probably been brought in as this section is to be tunnelled, rather than cut-and-cover.

Halcrow has been commissioned to prepare the designs and contract documents for the running tunnels and the terminal station. The deep level tunnels will have to be driven through London clay. They pass under one of the main runways.

The terminal ticket hall, to be constructed beneath the triangular area in the centre of the airport containing the bus station, is intended to be linked to the main terminal building.

includes two 4-storey classroom blocks, a single-storey technical block, two single-storey blocks housing kitchens and dining rooms, a sports and games hall complex and an administration block. The structure will be of reinforced concrete with an intergrid frame.

Gilbert Ash Scotland is also building St. Patrick's R.C. School at Dumbarton under a £200,000 contract awarded by Dumbarton County Council. Architects are the National Building Agency.

Briefs

● MEARS Construction is to build a secondary school and sports centre at Skelmersdale, Lancashire, under a £650,000 contract awarded by Liverpool R.C. Archdiocesan Trustees Incorporated. Work comprises a single-storey/2-storey building including teaching, practical and social areas, sports hall, kitchen and dining room.

● SIR Alfred McAlpine and Son is to construct an access road from Runcom Expressway to ICI's offices at The Heath, Runcom; two pedestrian footbridges including circular ramps for the Corporation; a works garage at the British Steel Corporation's special steels division at Brymbo Works, near Wrexham, and Keepers Cottage Bridge on the Raleys/Worsley section of the Lancs/Yorks M62 motorway.

● EXTENSIONS to the College of Further Education at Oxford are to be built by Hollman Hannan & Cubitts (Midlands) for the City of Oxford under a £634,000 order. Forming the second phase of the college construction, the project will comprise two sections—a teaching block and a teaching, assembly hall and kitchen block combined.

● WHEELER Crittall Berris (Crown House Group) has been awarded a £145,000 contract by the Western Regional Hospital Board for the complete electrical installation at the Dykebar Hospital Development at Paisley.

Two schools in Scotland

RENFREW County Council has awarded Gilbert Ash Division of Bovis a £1m. contract to build Cockston Junior High School at Paisley.

The 20-month job, to be carried out by Gilbert Ash Scotland,



The £11m. Drake Circus shopping centre in Plymouth which is to be opened by Princess Anne on November 16, has been nearly completed by John Laing Construction. The centre which is a Laing Development Co. project will include a 4-storey department store for C. & A. Modes, a store for Tesco and over 50 other shops. The architects are Stone, Toms and Partners.

China clay handling at Fowey

DEVELOPMENT of the china clay loading jetties at Fowey in Cornwall is being undertaken by English Clays Lovering Pochin and Co.

Cost of the scheme has not been disclosed but is quoted by English Clays as being "several million pounds." The company is having to face problems of

amenity in the district which is noted as a holiday centre and equipment is being designed to minimise dust nuisance around the general port area.

One of the main purposes of the scheme, prepared by Rendel Palmer and Tritton in conjunction with the company, is to speed turn-round of ships and to help increase exports from about 1m. tons to over 2m. tons of china clay annually.

It is planned to double the loading facilities at one of the existing berths which will accommodate vessels of up to 10,000 tons deadweight and to provide two new berths by building a continuous quay. The new quay

is designed for loading vessels up to 6,000 tons.

To provide the Fowey jetties with the degree of flexibility necessary, improved road connection has been provided by converting the existing British Rail branch line from Par to a private two-lane road which keeps clay lorry traffic between Par and Fowey off the public roads. Rail access has been preserved via the Fowey and Lostwithiel branch line.

\$30,000,000 Democratic Republic of the Congo

Euro-dollar loan due 1976-78

arranged by Morgan Guaranty Trust Company and provided by

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BANQUE NATIONALE DE PARIS S.A.
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THE TOKAI BANK, LIMITED

INTERNATIONAL COMMERCIAL BANK LIMITED
ASSOCIATED JAPANESE BANK (INTERNATIONAL) LIMITED
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NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of September 1, 1969, under which the above-designated Debentures are issued, \$30,000,000 aggregate principal amount of such Debentures of the following distinctive numbers has been drawn by lot for redemption on September 1, 1971 (hereinafter sometimes referred to as the redemption date):

\$1,000 Coupon Debentures									
M 18	743	244	3679	4570	5395	6732	7884	8848	9788
102	788	269	271	4583	5436	6708	7634	8582	9582
55	841	289	3760	4629	5477	6815	7975	8916	9854
73	853	270	3640	4666	5523	6861	8021	8962	9903
97	839	262	3551	4711	5673	6928	8118	9036	9971
129	864	268	3555	4781	5800	6770	8184	9084	10015
143	1023	266	3580	4801	5728	7018	8198	9092	10040
157	1050	267	3598	4820	5747	7037	8217	9116	10059
171	1077	269	3611	4833	5761	7051	8231	9130	10073
185	1104	270	3624	4846	5774	7064	8244	9143	10086
199	1131	271	3637	4859	5787	7077	8257	9156	10100
213	1158	273	3650	4872	5800	7090	8270	9169	10113
227	1185	274	3663	4885	5813	7103	8283	9182	10126
241	1212	275	3676	4898	5826	7116	8296	9195	10139
255	1239	276	3689	4911	5839	7129	8309	9208	10152
269	1266	278	3702	4924	5852	7142	8322	9221	10165
283	1293	279	3715	4937	5865	7155	8335	9234	10178
297	1320	280	3728	4950	5878	7168	8348	9247	10191
311	1347	281	3741	4963	5891	7181	8361	9260	10204
325	1374	282	3754	4976	5904	7194	8374	9273	10217
339	1401	283	3767	4989	5917	7207	8387	9286	10230
353	1428	284	3780	5002	5930	7220	8400	9299	10243
367	1455	285	3793	5015	5943	7233	8413	9312	10256
381	1482	286	3806	5028	5956	7246	8426	9325	10269
395	1509	287	3819	5041	5969	7259	8439	9338	10282
409	1536	288	3832	5054	5982	7272	8452	9351	10295
423	1563	289	3845	5067	5995	7285	8465	9364	10308
437	1590	290	3858	5080	6008	7298	8478	9377	10321
451	1617	291	3871	5093	6021	7311	8491	9390	10334
465	1644	292	3884	5106	6034	7324	8504	9403	10347
479	1671	293	3897	5119	6047	7337	8517	9416	10360
493	1698	294	3910	5132	6060	7350	8530	9429	10373
507	1725	295	3923	5145	6073	7363	8543	9442	10386
521	1752	296	3936	5158	6086	7376	8556	9455	10399
535	1779	297	3949	5171	6099	7389	8569	9468	10412
549	1806	298	3962	5184	6112	7402	8582	9481	10425
563	1833	299	3975	5197	6125	7415	8595	9494	10438
577	1860	300	3988	5210	6138	7428	8608	9507	10451
591	1887	301	4001	5223	6151	7441	8621	9520	10464
605	1914	302	4014	5236	6164	7454	8634	9533	10477
619	1941	303	4027	5249	6177	7467	8647	9546	10490
633	1968	304	4040	5262	6190	7480	8660	9559	10503
647	1995	305	4053	5275	6203	7493	8673	9572	10516
661	2022	306	4066	5288	6216	7506	8686	9585	10529
675	2049	307	4079	5301	6229	7519	8699	9598	10542
689	2076	308	4092	5314	6242	7532	8712	9611	10555
703	2103	309	4105	5327	6255	7545	8725	9624	10568
717	2130	310	4118	5340	6268	7558	8738	9637	10581
731	2157	311	4131	5353	6281	7571	8751	9650	10594
745	2184	312	4144	5366	6294	7584	8764	9663	10607
759	2211	313	4157	5379	6307	7597	8777	9676	10620
773	2238	314	4170	5392	6320	7610	8790	9689	10633
787	2265	315	4183	5405	6333	7623	8803	9702	10646
801	2292	316	4196	5418	6346	7636	8816	9715	10659
815	2319	317	4209	5431	6359	7649	8829	9728	10672
829	2346	318	4222	5444	6372	7662	8842	9741	10685
843	2373	319	4235	5457	6385	7675	8855	9754	10698
857	2400	320	4248	5470	6398	7688	8868	9767	10711
871	2427	321	4261	5483	6411	7701	8881	9780	10724
885	2454	322	4274	5496	6424	7714	8894	9793	10737
899	2481	323	4287	5509	6437	7727	8907	9806	10750
913	2508	324	4300	5522	6450	7740	8920	9819	10763
927	2535	325	4313	5535	6463	7753	8933	9832	10776
941	2562	326	4326	5548	6476	7766	8946	9845	10789
955	2589	327	4339	5561	6489	7779	8959	9858	10802
969	2616	328	4352	5574	6502	7792	8972	9871	10815
983	2643	329	4365	5587	6515	7805	8985	9884	10828
997	2670	330	4378	5600	6528	7818	8998	9897	10841
1011	2697	331	4391	5613	6541	7831	9011	9910	10854
1025	2724	332	4404	5626	6554	7844	9024	9923	10867
1039	2751	333	4417	5639	6567	7857	9037	9936	10880
1053	2778	334	4430	5652	6580	7870	9050	9949	10893
1067	2805	335	4443	5665	6593	7883	9063	9962	10906
1081	2832	336	4456	5678	6606	7896	9076	9975	10919
1095	2859	337	4469	5691	6619	7909	9089	9988	10932
1109	2886	338	4482	5704	6632	7922	9102	10001	10945
1123	2913	339	4495	5717	6645	7935	9115	10014	10958
1137	2940	340	4508	5730	6658	7948	9128	10027	10971
1151	2967	341	4521	5743	6671	7961	9141	10040	10984
1165	2994	342	4534	5756	6684	7974	9154	10053	10997
1179	3021	343	4547	5769	6697	7987	9167	10066	11010
1193	3048	344	4560	5782	6710	8000	9180	10079	11023
1207	3075	345	4573	5795	6723	8013	9193	10092	11036
1221	3102	346	4586	5808	6736	8026	9206	10105	11049
1235	3129	347	4599	5821	6749	8039	9219	10118	11062
1249	3156	348	4612	5834	6762	8052	9232	10131	11075
1263	3183	349	4625	5847	6775	8065	9245	10144	11088
1277	3210	350	4638	5860	6788	8078	9258	10157	11101
1291	3237	351	4651	5873	6801	8091	9271	10170	11114
1305	3264	352	4664	5886	6814	8104	9284	10183	11127
1319	3291	353	4677	5899	6827	8117	9297	10196	11140
1333	3318	354	4690	5912	6840	8130	9310	10209	11153
1347	3345	355	4703	5925	6853	8143	9323	10222	11166
1361	3372	356	4716	5938	6866	8156	9336	10235	11179
1375	3399	357	4729	5951	6879	8169	9349	10248	11192
1389	3426	358	4742	5964	6892	8182	9362	10261	11205
1403	3453	359	4755	5977	6905	8195	9375	10274	11218
1417	3480	360	4768	5990	6918	8208	9388	10287	11231
1431	3507	361	4781	6003	6931	8221	9401	10300	11244
1445	3534	362	4794	6016	6944	8234	9414	10313	11257
1459	3561	363	4807	6029	6957	8247	9427	10326	11270
1473	3588	364	4820	6042	6970	8260	9440	10339	11283
1487	3615	365	4833	6055	6983	8273	9453	10352	11296
1501	3642	366	4846	6068	6996	8286	9466	10365	11309
1515	3669	367	4859	6081	7009	8299	9479	10378	11322
1529	3696	368	4872	6094	7022	8312	9492	10391	11335
1543	3723	369	4885	6107	7035	8325	9505	10404	11348
1557	3750	370	4898	6120	7048	8338	9518	10417	11361
1571	3777	371	4911	6133	7061	8351	9531	10430	11374
1585	3804	372	4924	6146	7074	8364	9544	10443	11387
1599	3831	373	4937	6159	7087	8377	9557	10456	11400
1613	3858	374	4950	6172	7100	8390	9570	10469	11413
1627	3885	375	4963	6185	7113	8403	9583	10482	11426
1641	3912	376	4976	6198	7126	8416	9596	10495	11439
1655	3939	377	4989	6211	7139	8429	9609	10508	11452
1669	3966	378	5002	6224	7152	8442	9622	10521	11465
1683	3993	379	5015	6237	7165	8455	9635	10534	11478
1697	4020	380	5028	6250	7178	8468	9648	10547	11491
1711	4047	381	5041	6263	7191	8481	9661	10560	11504
1725	4074	382	5054	6276	7204	8494	9674	10573	11517
1739	4101	383	5067	6289	7217	8507	9687	10586	11530
1753	4128	384	5080	6302	7230	8520	9700	10599	11543
1767	4155	385	5093	6315	7243	8533	9713	10612	11556
1781	4182	386	5106	6328	7256	8546	9726	10625	11569
1795	4209	387	5119	6341	7269	8559	9739	10638	11582
1809	4236	388	5132	6354	7282	8572	9752	10651	11595
1823	4263	389	5145	6367	7295	8585	9765	10664	11608
1837	4290	390	5158	6380	7308	8598	9778	10677	11621
1851	4317	391	5171	6393	7321	8611	9791	10690	11634
1865	4344	392	5184	6406	7334	8624	9804	10703	11647
1879	4371	393	5197	6419	7347	8637	9817	10716	11660
1893	4398	394	5210	6432	7360	8650	9830		

Incorporating THE FINANCIAL NEWS

MONDAY AUGUST 9 1971

Observer

THE U.S. SECURITIES INDUSTRY: Jurek Martin, reporting from New York, Sunday, discusses the impact of the controversial McChesney Martin report, and examines its underlying philosophy and its concern for the small, individual investor

'Fair' competition and the public interest

FOR 19 years, Mr. William McChesney Martin was accused of walking an almost tightrope as chairman of the Federal Reserve Board in Washington. With a little fine-tuning here, a squeeze there, and a bit of pump-priming at other times, his job was constantly to supervise the monetary affairs of the nation. Although central bankers will probably refute the imputation vigorously, it often seems that their main preoccupation is with the day-to-day exigencies facing a national economy—trying to combine what they feel is economically feasible with what the politicians consider to be desirable. Their role in long-term planning, while indispensable, often appears subordinate to the daily demands made on them.

During his time at the Fed, working with five Presidents of the United States and numerous Congresses, Mr. Martin acquired the reputation of being a past master at finding the common ground. But now he has been able to exercise his talents in the other direction.

Longer-term

The importance of the report that he produced formally last Thursday on the future of the American securities industry is not, to the dismay of many people, in his opinions on the burning issues of the stock markets today such as institutional membership of the stock exchanges or negotiated commissions on share transactions. On the contrary, it lies in what he considers to be the long-term course the stock markets should embark on if they are to be able to cater fully to the financial needs of the nation.

This is the thread to his surprisingly brief and very personal report and to the remarkably candid comments he offered on the securities business last Friday. Certain

key phrases crop up again and again in his discourse on the subject: "Full disclosure," "integrity," "fair competition," "equal regulation," "the public interest."

"I didn't try to give instant solutions," he said on Friday. "I never had the slightest thought I could do that. I just tried to get things into focus."

There is the very real danger that these fundamental strictures will be forgotten in the debate that is bound to rage for a long time about the contents of the report. Indeed, such was the build-up to the report that many people in the industry may have felt let down that its author chose to state his case in such broad and often philosophical language.

Clearly, in the long run, his most important recommendation is that there be one national auction market for the trading of securities. This is, as Mr. Martin has already discovered, an easily misunderstood concept. It does not mean one solitary market place in the physical sense; nor does it mean a merger, in the strict sense of the word, of all the New York and regional stock exchanges.

What it does mean is that all the exchanges in the country—the NYSE, the Amex, the Midwest, the Pacific Coast, the Philadelphia-Baltimore-Washington, presumably even the very tiny ones—would be hooked up electronically so that any share transaction on any one of the exchanges would be immediately recorded on all the others.

"We ought to know what the bid and asked is across the country," he says. "It is integration, not merger." It would mean, he acknowledges, that over a period of time the New York Stock Exchange, where something like two-thirds of all listed securities are traded, would eventually become just one-fifth or one-sixth part of a national system, equal in importance to Chicago or San Francisco, just as, in theory at

Fairly easy

Mr. Martin makes the point that the technology to furnish this instantaneous information is essentially already present through the National Association of Security Dealers Automatic Quotation system, for example—and that it would be technically a fairly easy job to institute a "consolidated exchange" tape providing full disclosure of all relevant material to investors.

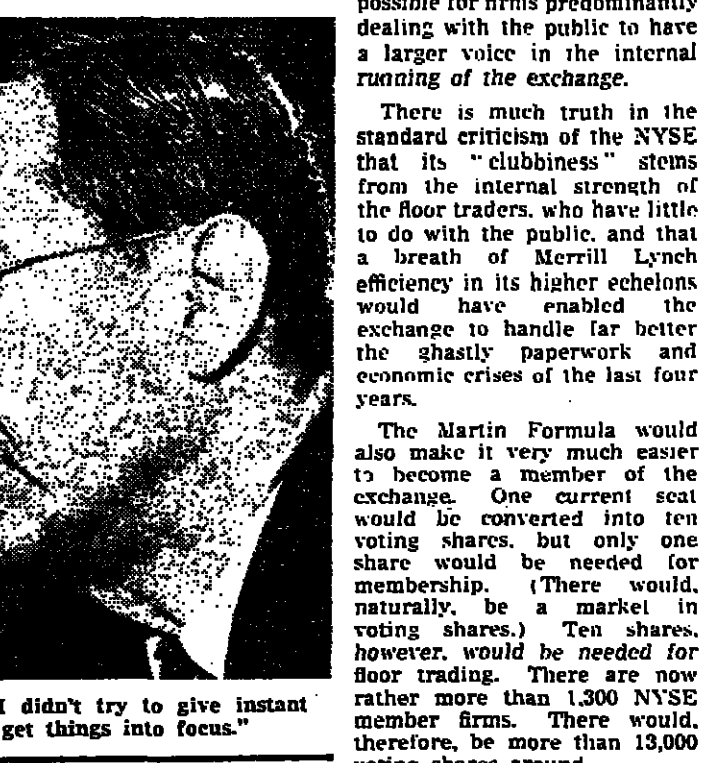
It is absolutely central to Mr. Martin's thesis that this common market should be an "auction" and not a "dealer" market. This is, of course, very much in the tradition of the American securities business, as opposed to the general European and British practice. Nonetheless, in the course of the last few years, a very sizeable dealer market has grown up in the U.S. It is generally known as the "third market" and it enables professionals to deal directly with professionals, bypassing exchange formalities.

It is, obviously, a very convenient way for people to trade stocks when they do not want to let the world know that they

are trading them, and it has therefore become a favourite with the big operators. It is, as such, inherently antagonistic to the concept of "full disclosure" that Mr. Martin is convinced must be preserved and expanded in the public interest.

Typically, he does not say point blank that the third market should be declared illegal: rather, he suggests that once a national auction market is established, offering the opportunity to invest in all listed and over-the-counter (unlisted) shares, the third market operators would hardly be showing their "integrity" if they continued to stay out of it and conduct their affairs under rules and regulations entirely different from everyone else's.

It is plain to see that this



William McChesney Martin: "I didn't try to give instant solutions. I just tried to get things into focus."

market of the future" is very much concerned with not sacrificing the small individual investor to institutional efficiency. Much as it might irritate some of the more aggressive large institutions, it is almost impossible for any public figure—and this includes members of Congress, who must

important than the public interest. This is what his proposed reforms for the New York Stock Exchange are all about. He would give vastly greater public representation on the NYSE's Board and, in a complex proposal, would rearrange the voting power within the exchange so as to make it possible for firms predominantly dealing with the public to have a larger voice in the internal running of the exchange.

There is much truth in the standard criticism of the NYSE that its "clubbiness" stems from the internal strength of the floor traders, who have little to do with the public, and that a breath of Merrill Lynch efficiency in its higher echelons would have enabled the exchange to handle far better the shabby paperwork and economic crises of the last four years.

The Martin Formula would also make it very much easier to become a member of the exchange. One current seat would be converted into ten voting shares, but only one share would be needed for membership. (There would, naturally, be a market in voting shares.) Ten shares, however, would be needed for floor trading. There are now rather more than 1,300 NYSE member firms. There would, therefore, be more than 13,000 voting shares around.

Furious

It would also become much cheaper to become a NYSE member, of course. The latest seat sale last week was for \$200,000, which is simply beyond the pockets of many a smaller or regional broker who would like to buy his way in in the long run. Mr. Martin believes that if a national exchange market really works well the long-term value of a seat can only increase, but the

fact that his proposals would effectively mean a short-term devaluation is likely to upset quite a number of Wall Street gentlemen.

Paradoxically, though Mr. Martin has, by advancing the argument of the public interest, appeared innovative in certain areas, he has also managed to be staunchly conservative in others, while remaining entirely consistent. The institutions, whom Mr. Martin would bar from exchange membership on the grounds that they could wield disproportionate economic power at the expense of the individual investor, are furious with the report.

Already two exchanges, the Pacific Coast and the PBV, offer forms of institutional membership, and there are applications on the books of the NYSE for membership from the brokerage subsidiaries of mutual funds and insurance companies.

But to Mr. Martin, whose experience at the Fed included much regulation of what the banking industry ought and ought not to engage in, the distinction between the securities and other business should be preserved. If you are in the stock market your business should be trading securities and the discretionary money management pertaining thereto. Just as mutual funds should not be brokers, so brokers should not operate mutual funds.

This latter task may well prove extremely difficult to accomplish. There is one notable court case pending concerning the sale by Lazards of one of its mutual funds and the ultimate court ruling on it could well determine how easily brokers would be able to dispose of their funds if they are required to.

Even assuming that such divestiture is possible, there are going to be a number of people on both sides of the fence who will think that Mr. Martin, in

contrast to the broad brush with which he painted most of his proposals, was guilty of hairsplitting in recommending that though mutual funds should be allowed to retain pension funds on their books, Mr. Martin has justified his distinction by suggesting that it might be generally true these days that institutions, like mutual funds no longer represent their own public (the alluded to the 100 case as an example), whereas at least pension funds are supposed to. It is, at best, a fine point.

Experiment

On the negotiated-versus-fixed minimum commission rate issue, Mr. Martin's position is not original. Indeed, it would be hard to find an original position in so exhaustedly debated a subject. He simply feels that the negotiated rate the big operators would secure for themselves would, in practice, become fixed minimum rates: that the small investor would not stand a chance of obtaining them, and that therefore he would be at a disadvantage. So he simply suggests allowing the current experiment of negotiated rates on large trades to stay in force for a while to see how it works out.

It is still too early to say whether all, part or none of what Mr. Martin has recommended will come to pass. Just as he offered "no instant solutions," no instant action can be expected. It is very likely that, as he suggests, the SEC will create a blue chip team to look into the nuts and bolts of creating a national exchange the not too distant future. The first test will come with the New York Stock Exchange as it will come within the next two or three months. Then we will discover how great is the securities business's ability to accept change.

Labour News

Nalco now favours EEC entry

BY ROY ROGERS, LABOUR STAFF

LEADERS of the 450,000-strong National and Local Government Officers' Association have come out in favour of British entry into the Common market. This reverses the union's conference decision to oppose entry "unless it could be shown to be in the interests of members and of Britain."

NALGO will now vote in favour of a resolution supporting Britain's entry which has been tabled by the Clerical and Administrative Workers' Union for next month's Trades Union Congress. More white-collar support for entry may follow, but most of the manual unions, including the Transport and General Workers' (1.6m. members) and the Amalgamated Union of Engineering Workers (1.4m.) are opposed to entry.

Narrow margin

Over the week-end a meeting of NALGO's 60-member national executive committee voted in favour of entry by the narrow margin of 29-26. Although it is understood that their presence would probably have resulted in a similar narrow majority in favour.

Before voting the NEC heard a recommendation from its services and conditions committees which had been studying the matter for several months.

Although dismissing the Government's White Paper as being unhelpful to them in their quest to establish whether entry would bring long-term benefits the committee recommended

Unions expected to accept Guinness Dublin cutback

BY DOMINICK J. COYLE

DUBLIN, August 8.

THERE is expected to be unanimous agreement later this month by all trade unions represented at the St. James's Gate Dublin, brewery of Arthur Guinness on the company's comprehensive rationalisation programme aimed at reducing operating costs by some £2.5m. a year.

The cutback plan, reported in the Financial Times on May 4, is designed to bring production costs in the Dublin brewery more into line with those at Guinness's Park Royal, London plant. It will require a 30 per cent. improvement in productivity, according to a company spokesman here.

Graduated

Overall, the rationalisation programme is aimed at reducing the total work force at the Dublin brewery (and its marketing subsidiaries) by roughly one-third, or about 1,400 employees. There will be no conventional redundancies; instead, the labour force is gradually to be reduced over a five-year period, commencing next January, through a

Haughton expects to meet new deadline

BY RAY DAFTER

MR. DANIEL HAUGHTON, chairman of Lockheed, is hopeful that he will not have to ask the British Government again to extend the period for completing negotiations over the TriStar and Rolls-Royce RB-211 engine contracts.

The Government had originally given yesterday as the deadline for a decision on the future of the projects, but with the backing of the U.S. Senate for \$250m. loans to Lockheed now secured, it has, as expected, extended the deadline to August 24.

Nevertheless, both Lockheed and Rolls-Royce will have to work fast to complete the negotiations within this time limit.

They have still to negotiate the final terms of contracts with airline customers; Lockheed has to complete arrangements for loans with its banks; and two airlines important to the project, Air Canada and Delta,

Shaw Savill-Sitmar marketing merger

BY RAY DAFTER

SHAW SAVILL Line—a member of the Furness Withy group—and Sitmar Line are merging marketing and sales interests for their Europe-Australia-New Zealand passenger operations.

A Shaw Savill spokesman said it was planned to establish jointly-owned offices in London and major cities in Australia and New Zealand. Sea Travel Centre has been chosen as the name for these offices and it is planned that the final integration of the marketing operation will be complete by July, 1972.

Wider choice

The spokesman added that the new organisation would bring benefits to travel agents and the general public, particularly as the jointly-owned offices would provide a wider choice of sea travel opportunities at the one point.

Although not specified by the two lines, the joint operation must make any rationalisation of the services easier to effect. At present the ships of both lines operate similar services from Southampton to Australia and New Zealand, both handling a large number of migrant passengers as well as tourists. In addition Sitmar calls at Rotterdam.

Sitmar, part of the Montecarlo based Shipping Management SAM, has four ships in the service, three of which—the Fairland, Fairstar and Fairwind—were built on the Clyde. The fourth, Fairline, was built in San Francisco.

The Fairland and Fairwind are the ex-Cunard liners Corinthia and Sylvania respectively, while the Fairstar is the former Silby Line troop ship Oxfordshire.

Shaw Savill at present operates three ships in the Australian and

EX-SECRETARY OF STUC DIES

MR. GEORGE MIDDLETON, former secretary of the Scottish TUC and vice-chairman of the Scottish Economic Planning Council, died at a Glasgow hospital yesterday.

Mr. Middleton, who was in his seventies, was a former Communist.

Need for EEC "summit"

BY CHRISTOPHER LORENZ

DR. RALF DAHRENDORF, the EEC commissioner responsible for external relations, has called for a West European summit conference "just before or just after Britain's entry to the EEC."

The enlarged community would need many new types of ruling and also, to some extent, new types of institution. A summit conference was the proper forum for such decisions, he said, in a week-end interview on a West German radio station.

Dr. Dahrendorf also spoke in favour of formal contacts between the Commission and Communist China, although apparently attached no title to this suggestion. He demanded that the Soviet Union should give formal recognition to the EEC.

All these securities have been sold. This announcement appears as a matter of record only.

SANDVIK

SANDVIKENS JERNVERKS AKTIEBOLAG

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U.S.\$15,000,000 9 per cent. Bonds 1986

Issue Price 98½ per cent

Interest payable half-yearly on 1st February and 1st August

Hambros Bank Limited	Svenska Handelsbanken
Stockholms Enskilda Bank	Kidder, Peabody & Co. Incorporated
S. G. Warburg & Co. Limited	

Alahli Bank of Kuwait K.S.C.	Algemeine Bank Nederland N.V.	Amsterdam-Rotterdam Bank N.V.	Andresens Bank A/S
Arnhold and S. Bleichroeder, Inc.	Julius Baer International	Banca Commerciale Italiana	Banca Nazionale del Lavoro
Banca Privata Finanziaria S.p.A.	Banco Ambrosiano S.p.A.	Banco di Roma/Commerzbank A.G./Crédit Lyonnais	
Bank of America S.A.	Bank of London & South America	Bank Mees & Hope N.V.	Bankers Trust International
Banque de Bruxelles S.A.	Banque Française de Dépôts et de Titres	Banque Générale du Luxembourg S.A.	
Banque de l'Indochine	Banque Internationale à Luxembourg S.A.	Banque Lambert S.C.S.	Banque Louis-Dreyfus
Banque Nationale de Paris	Banque de Neufville, Schlumberger, Mallet	Banque Nordique de Commerce S.A.	
Banque de Paris et des Pays-Bas	Banque Populaire Suisse (Underwriters) S.A.	Banque Rothschild	
Banque de Suez et de l'Union des Mines	Banque de l'Union Européenne	Banque de l'Union Parisienne C.F.C.B.	
Banque Worms	Baring Brothers & Co., Limited	H. Albert de Bary & Co. N.V.	Bayerische Vereinsbank
Joh. Berenberg, Gossler & Co.	Bergens Privatbank	Berliner Handels-Gesellschaft—Frankfurter Bank	
Gunnar Bohn & Co. A/S	Burgardt & Bröckelschen	Burkhardt & Co.	Cazenove & Co.
La Centrale Finanziaria Generale S.p.A.	Christiania Bank og Kreditkasse	Continental Bank S.A.	
Creditanstalt-Bankverein	Crédit Commercial de France S.A.	Crédit Industriel et Commercial	
Crédit Suisse (Bahamas)	Credito Italiano	Richard Daus & Co.	Den Danske Landmandsbank
Deutsche Bank Aktiengesellschaft	Deutsche Girozentrale-Deutsche Kommunalbank	Deutsche Unionbank G.m.b.H.	
Dewazay, Cortvriendt International S.A.	Dillon, Read Overseas Corporation	Dresdner Bank	Drexel Firestone
Edicentro S.p.A.	Effectenbank-Warburg	Euramerica International	Fellesbanken A.S.
Fleming, Suez, Brown Brothers	Girozentrale und Bank der österreichischen Sparkassen	Goldman Sachs International Corp.	
Gutzwiller, Kurz, Bungenier Securities	Handelsbank in Zürich (Overseas)	R. Henriques jr.	Hill Samuel & Co.
The Hongkong and Shanghai Banking Corporation	Jardine Fleming & Co.	Kansallis-Osake-Pankki	
Kjøbenhavn Handelsbank A/S	Kleinwort, Benson (Europe) S.A.	Kreditbank N.V.	
Kreditbank S.A. Luxembourggoise	Kuhn, Loeb & Co. International	Lazard Brothers & Co.	
Lazard Frères & Cie	Lazard Frères & Co.	Lehman Brothers	Libert Peterbroeck Securities S.A.
Loeb, Rhoades & Co.	Manufacturers Hanover	Merrill Lynch, Pierce, Fenner & Smith	Model, Roland & Co., Inc.
Samuel Montagu & Co.	Morgan & Cie International S.A.	Morgan Grenfell & Co.	
Nederlandsche Middenstandsbank N.V.	AB Nordiska Föreningsbanken	Den norske Creditbank	
Sal. Oppenheim jr. & Cie	Pierson, Helderling & Pierson	Privatbanken i Kjøbenhavn	N. M. Rothschild & Sons Limited
Rowe & Pitman	Salomon Brothers	J. Henry Schroder Wagg & Co.	Skandinaviska Banken
Smith, Barney & Co.	Société Générale	Société Générale de Banque S.A.	Strauss, Turnbull & Co.
Swiss Bank Corporation (Overseas)	Swiss Italian Banking Corporation	Union Bank of Switzerland (Underwriters)	
C. G. Trinkaus	Vereinsbank in Hamburg	M. M. Warburg-Brinckmann, Wirtz & Co.	
Westdeutsche Landesbank Girozentrale	Western American Bank (Europe)	White, Weld & Co.	

9th August 1971

COMPANY NEWS + COMMENT

Bank Bridge confident of more growth

HAVING REGARD to current development and plans, we are confident of a further increase in profits this year," says Mr. R. A. Palfreyman, chairman of Bank Bridge Securities.

"We regard our investment in good growth or potential growth areas as the basis for future expansion and we will take every opportunity to increase our interests in these and related fields," he adds.

Since the year end the group has acquired a 90 per cent. interest in A. G. Minard and Sons form, with existing interests in textiles. This industry is expected to prove a major contributor to group profits in the current year.

As reported on July 20 pre-tax profit for the year ended March 31, 1971, was £1,083,000 (£412,486) with a dividend of 43 per cent. 30 per cent. A one-for-ten scrip was also proposed.

Analysis of profit and turnover shows investment banking contributed £200,000 (£128,000) and £500 (£421); motor sales £40 (£27) and £128 (£132); automobile fuel £60 (£102) and £131 (£236); textiles £10 (£145) and £57 (£1,303); engineering £190 and £1,083.

Decentralisation of the company in the power, communications and automation group has now been completed, reports the chairman, and after certain closure the company is left with three "very viable" units contributing more to group profits than is original organisation.

Mr. Palfreyman comments that confidence in British Benzol and oil Distillation, in which Bank Bridge has a 51 per cent. stake, having the offer for sale in August, 1971, has been fully justified.

Members are asked to approve an increase in authorised share capital from £750,000 to £2m. At March 31, 1971, the chairman held 1,438,723 (£1,589,675) shares.

Meeting, Manchester, August 26, noon.

comment

After reporting nearly trebled pre-tax profits for 1970-71, three weeks ago, Bank Bridge's share price has fallen from 51p to 44p. It then rises to 48p, not too surprising in view of the fact that the company's performance seems unlikely to be repeated over 1971-72. Not only does the obvious gap to be made up in dealing prices (last year the flotation of British Benzol contributed about £200,000) but now it also looks as if Benzol itself—now 51 per cent. owned—is in for a year of liquidation after contributing £100,000 to the group's profit.

Over half the group profits, admittedly, Benzol may surprise anyone but demand is only now rising up after a quiet start to the year and the group will not see the benefit of price rises in October (for a year ending March) and its new ovens until April. So that, more or less, the onus for Bank Bridge's rise with on the automation division (both the motor dealing and textiles are too small to have a real impact). However, a 10 per cent. dilution of 10.6 is not too much.

Griffiths Smethwick repeats 27½%

E. Griffiths (Smethwick), manufacturers of industrial ovens, tanks, etc., is maintaining its

5th August, 1971

This announcement appears as a matter of record only.

Since coming to the market 15 years ago Dover has withstood its fair share of troubles, but what the report has now to say about dividend income trends after 1971-72 is going to take a deal of explaining. The profits pattern last year had its points, with the first-half setback (40 per cent. pre-tax) levelling out to just 1½ per cent.

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HIGHLIGHTS

Quite an impressive clutch of "names" come up for analytical scrutiny this week. Commercial Union Assurance starts the ball rolling to-day with six month profits, while on Wednesday we have half-timers from consumer durables major Hoover plus Slater Walker Securities and Anglo-Dutch giant Unilever. Thursday takes in interim results from Guest Keen and International Combustion. This much apart, it looks like proving another traditionally quiet week in August.

dividend at 27½ per cent. for the year to March 31, 1971, with a final of 20 per cent.

Group profit was £41,512 (£38,684) subject to tax of £15,198 (£28,128).

British Benzol optimistic

BECAUSE OF the abnormally high coke and fuel stocks held by merchants and industrial users the current year has opened on a quiet note for British Benzol.

Carbonising, with a noticeable drop in demand, states chairman Mr. F. G. Mulryan, "When this work is completed we can look forward to greatly increased capacity and additional profits," states the chairman.

In the year ended March 31, 1971, profits of the group—51 per cent. owned by Bank Bridge Securities—amounted to £860,149 compared with the August prospectus forecast of £400,000 and with a subsequent revised estimate of £600,000.

While the directors are satisfied that the purchase of considerable quantities of coke and fuel by the profit level, they consider it prudent to write down the cost of the investment thereby by reducing the book value of coke and fuel to £250,000 has been applied for this purpose. It is intended to make further write downs in future years as profits allow.

As reported July 13 the dividend is 30 per cent. against 22 per cent. forecasted. A one-for-ten scrip issue is also proposed. Meeting, Manchester, August 26, at 11.30 a.m.

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the rate of loss for the last five months will be lower than for the first seven months.

Over the long term he feels if market conditions are stable and the drift of material and labour costs can be controlled, he believes over a reasonable period, lost ground can be recovered. There are a number of alternative ways by which profitability might be improved and these are at present being evaluated.

Dover Eng. recovery measures

Present outstanding orders of The Dover Engineering Works are encouraging as compared with last year, says chairman, Mr. H. J. Holdstock.

Productivity has increased, and measures taken to date combined with the redesign of "Gatic" and the new products being developed appear well for the future, he adds.

Benefits of new production plant and processes being undertaken at the Dover works will come about in the early part of 1972, but already this year productivity has been improved.

As reported on June 25 group pre-tax income for the year to March 31, 1971, was £28,599 (£107,465) and the dividend 22 per cent. (same plus a special bonus of 3 per cent.). Turnover was £284,972 (£294,532).

A breakdown of turnover and profit shows: £8,232 per cent. and £99,297; painting contracting 9.06 and loss £7,515; electrical contracting 4.52 and loss £10,958. Investment income provided £4,498 to profit.

The losses incurred by E. W. G. Electrical Services have been eliminated by discontinuing electrical installation work. Its main form of business is now electrical maintenance in the near future.

Mr. F. Nash, chairman, says because of the major reorganisation and the fact that the Board felt it prudent to see the operating evidence of improvements the application for restoration of quotation was deferred.

However plans are well advanced in that respect and it is hoped that a successful application will be made to the Stock Exchange in the near future.

Meeting, Kettering, September 6, noon.

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While the directors are satisfied that the purchase of considerable quantities of coke and fuel by the profit level, they consider it prudent to write down the cost of the investment thereby by reducing the book value of coke and fuel to £250,000 has been applied for this purpose. It is intended to make further write downs in future years as profits allow.

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10% from Empress Services

Empress Services (Holdings)—formerly Yaterda Investments—recommends a dividend of 10 per cent. (nil) for the 15 months to March 31, 1971.

On a turnover of £1,418,714, group pre-tax profit was £24,992, after reorganisation costs £12,000 and exceptional losses of a subsidiary £10,638. The results comprise those of the trading subsidiaries for a year and investment income of Empress for 15 months.

Tax takes £26,300, and the dividend absorbs £20,500, after a waiver by the managing director, Mr. I. Emanuel, on his holding.

A breakdown of turnover and profit shows earnings contracting £8,232 per cent. and £99,297; painting contracting 9.06 and loss £7,515; electrical contracting 4.52 and loss £10,958. Investment income provided £4,498 to profit.

The losses incurred by E. W. G. Electrical Services have been eliminated by discontinuing electrical installation work. Its main form of business is now electrical maintenance in the near future.

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COMINTERNATIONAL COMPANY NEWS + OVERSEAS MARKETS

Bank primary sector decline turns attention to GM, TRW loans

BY WILLIAM LOW

THERE have been several "Black Fridays" in the brief life of the Eurobond market and by the end of last week one more had been added to the list. The decline of the secondary market for Eurodollar bonds can be summed up in the following statement: All three of the Bondtrade indices reached their respective "lows" for the year last Friday.

Inevitably, the sharp setback in prices has focused attention on the offerings, totalling \$800m, by General Motors and TRW. During the past week, there have been reports that both issues would be withdrawn from the market. Significantly, there has been no confirmation of these rumours from either the borrowers or their managers.

In the case of General Motors, the Jeremiahs are likely to be disappointed. All the evidence suggests that although neither the \$300m of notes nor the \$500m of debentures can be described

as "hot" deals, response has been strong. In fact, the currency aspect may turn out to be a blessing in disguise in that the "free riders" will be frightened off, leaving only genuine investors.

Reputation

It should also be remembered that the GM manager, Morgan and Cie International, has a reputation for being able to pull off deals that few other banks could handle in such difficult circumstances. It would be very surprising indeed if Morgan failed on this occasion to bring it off once again. Final terms for the GM loans will be announced to-morrow evening.

The same degree of confidence, however, cannot be expressed about TRW's offering of \$300m of 15-year debentures. For a start, TRW is single A rated in the U.S. GM triple A; yet the indicated coupon for TRW is 8.25 per cent, against 8.5 per cent for the comparable GM

issue. If the credit difference is to be accurately reflected in the terms of the respective Eurobond offerings, TRW should come at a substantial discount or the interest rate be raised. Final terms for the TRW bonds will be fixed on Wednesday.

The other outstanding dollar-denominated loan is the \$18m, issue by the European Coal and Steel Community. This 15-year offering carries a coupon of 7.75 per cent and is being issued at 98.75 per cent. The apparently cheap interest rate is explained by the dollar devaluation hedge built into the loan, a formula which is likely to become increasingly popular.

Meanwhile, CEDEL, the Luxembourg-based bond clearing system, has established a "bridge" with the German AKB clearing group. CEDEL said it would make its services available through AKB—an affiliate member of CEDEL—to 140 German banks for settlements of transactions in Eurobonds.

IN BRIEF

NORTH AMERICAN PHILIPS CORPORATION expects 1971 earnings substantially higher than 1970's one dollar a share and anticipates high dividend income in 1972. It declined to predict whether the results for the second half of the year would exceed the first six months for which the company reported net profit of 83 cents a share against 81 cents in the 1970 first half.

MTSUI PETROCHEMICAL COMPANY said the Japanese Government authorised its plan to form a joint venture with Crown Zellerbach International, of the U.S., to produce and market synthetic pulp. Mitsui said the joint venture, called Mitsui Zellerbach Company, would be capitalised at Yen 5m, to be shared equally by the two concerns. The joint venture company is scheduled to build a plant with an annual capacity of 5,000 to 6,000 tons by next August and a larger plant by spring, 1974, Mitsui said.

VAAL REEFS EXPLORATION AND MINING COMPANY and Development Company plan to merge under an agreement which is subject to South African Supreme Court and shareholders' approval. The merger would create a new company to acquire Western Reefs by offering one new share for every two Western Reefs shares held.

TARGET PETROLEUM said it agreed with Bridge Oil and Aurora Minerals to take a 45 per cent stake in the two companies' joint offshore permit "EPP 13" in the Great Australian Bight. In exchange, Target will pay an estimated \$4,500,000 to cover the second year's exploration programme.

SA CROS—Spanish chemicals company operating in close contact with the Greek and British Livanos group—has purchased for reportedly \$15.5m, the Esso refinery and associated storage tanks in participation in Amnionco Espanol SA. Esso maintains its 50 per cent participation in the Castellon (Spanish Levante coast) oil refinery and controlling interests in its Caprolactam and nylon fibres production lines in Spain.

CUSTOM CREDIT CORP. in Sydney plans to issue 10m, 50-cent ordinary shares at 10p to shareholders on record September 6. The company is also planning to issue 10m, 50-cent ordinary shares at 10p to shareholders on record September 6. The company is also planning to issue 10m, 50-cent ordinary shares at 10p to shareholders on record September 6.

C. F. BALLY has reached co-operation agreement with the Village Shoe Corp. of New York, to the joint opening of a number of retail stores for men's shoes in the U.S. during the next few years. Stores will carry Bally name, while existing Bally stores in U.S. will continue to be managed by Bally alone.

FORD of Britain has asked four of its eight Spanish representatives to voluntarily give up their concessions. The measure is necessary, it is said, to use Spanish last year imported only 10,000 cars, of which only about 500 were supplied by Ford. The Spanish representatives have protested against new import controls, but part of Ford's general savings programme in Europe.

MADRID STOCK EXCHANGE PRICES

Name of stock	Percentage of par values (Ptas.500)		Div. %	Net yield %
	High	Low		
Altos Hornos de Vizcaya	99	97.5	0.5	5.12
Banco Central	955	934 (1)	955	+36 11.25
Banco Bilbao	853	842	853	+16 11.33
Banco de Vizcaya	791	776	786	+19 14.22
Banco Esp. de Credito	715	700	715	+33 11.33
Banco Exterior de Esp.	386	386	386	+1 9.95
Banco Hisp. Americano	725	712	725	+18 12.01
Auxiliar de Ferrocarriles	125	122	124.5	+1 8.50
Cia Industrias Agricolas	282	282	282	+7.5 10.20
Cia Espanol Petroleos	397	381.5	397	+7.5 10.20
Cia Ind. del Nitrogeno	132	132	132	+3 6.30
Cia Sev. de Electricidad	227.5	225	227.5	+3.75 9.50
Cia Telefon. nal. de Esp.	299	295	299	+5.25 8.07
Dragados y Construcciones	595	590	591	+16 8.50
Ebro Amc. Alcoholicos	692	689	690	+2 13.90
Espanola del Zinc	136	125	135	+1.5 10.00
Fuercas Elect. Cataluna	232.5	232.5	232.5	+3 11.47
Hidroelectrica Espanola	235	233.75	237	+2.25 10.00
Indurtero	287	284	287	+3 10.00
Union y el Fenix Esp.	645	620	645	+33 12.00
Min. Sid. de Ponferrada	167	163	167	+7 6.50
S.A. Cros	297	297	297	+12 8.10
S. de Aguila	294	290	294	+4 9.35
S. de Turismo	480	480	480	+11 15.00
Atillero Espanoles	74	71	74	+4 4.25
Sad. Mat. Duro Felguera	75.5	74	74	+5.00
Sad. Mat. Ind. Peligrosa	148	145	148	+3 8.00
Cellulosa Esp. Snaice	265	262	265	+1 10.20
Union Explosivos R.T.	300	300	300	+10.78
Sinago	828	819	828	+13 10.78
Banco de Santander	828	819	828	+13 10.78

Par values: Ptas.500 except *Ptas.250, *Ptas.150, *Ptas.1,000.

Source: Banco Central Madrid.

AUSTRALIAN WEEKLY LIST

Advertiser	Aug. 6	Aug. 7	Aug. 8	Aug. 9
Advertiser	1.60-1.61	1.60-1.63	1.60-1.63	1.60-1.63
Advertiser	1.60-1.63	1.60-1.63	1.60-1.63	1.60-1.63
Advertiser	1.60-1.63	1.60-1.63	1.60-1.63	1.60-1.63
Advertiser	1.60-1.63	1.60-1.63	1.60-1.63	1.60-1.63
Advertiser	1.60-1.63	1.60-1.63	1.60-1.63	1.60-1.63
Advertiser	1.60-1.63	1.60-1.63	1.60-1.63	1.60-1.63
Advertiser	1.60-1.63	1.60-1.63	1.60-1.63	1.60-1.63
Advertiser	1.60-1.63	1.60-1.63	1.60-1.63	1.60-1.63
Advertiser	1.60-1.63	1.60-1.63	1.60-1.63	1.60-1.63

TEL AVIV STOCK EXCHANGE

Company	Unit	Price August 8	Change on week	High	Low
Bank Leumi Le-Israel	IL 1	28.5	+2.1	28.5	26.4
Bank Hapoalim	IL 1	163.6	+2.1	163.6	161.5
Bank Mizrahi	IL 1	163.6	+2.1	163.6	161.5
Bank Leumi Le-Israel	IL 1	28.5	+2.1	28.5	26.4
Bank Hapoalim	IL 1	163.6	+2.1	163.6	161.5
Bank Mizrahi	IL 1	163.6	+2.1	163.6	161.5
Bank Leumi Le-Israel	IL 1	28.5	+2.1	28.5	26.4
Bank Hapoalim	IL 1	163.6	+2.1	163.6	161.5
Bank Mizrahi	IL 1	163.6	+2.1	163.6	161.5

Source: Bank Leumi Le-Israel, Tel Aviv.

Investment \$ Premium 21% (22%)

Company	Unit	Price August 8	Change on week	High	Low
Bank Leumi Le-Israel	IL 1	28.5	+2.1	28.5	26.4
Bank Hapoalim	IL 1	163.6	+2.1	163.6	161.5
Bank Mizrahi	IL 1	163.6	+2.1	163.6	161.5
Bank Leumi Le-Israel	IL 1	28.5	+2.1	28.5	26.4
Bank Hapoalim	IL 1	163.6	+2.1	163.6	161.5
Bank Mizrahi	IL 1	163.6	+2.1	163.6	161.5
Bank Leumi Le-Israel	IL 1	28.5	+2.1	28.5	26.4
Bank Hapoalim	IL 1	163.6	+2.1	163.6	161.5
Bank Mizrahi	IL 1	163.6	+2.1	163.6	161.5

TORONTO

Company	Unit	Price August 8	Change on week	High	Low
Bank Leumi Le-Israel	IL 1	28.5	+2.1	28.5	26.4
Bank Hapoalim	IL 1	163.6	+2.1	163.6	161.5
Bank Mizrahi	IL 1	163.6	+2.1	163.6	161.5
Bank Leumi Le-Israel	IL 1	28.5	+2.1	28.5	26.4
Bank Hapoalim	IL 1	163.6	+2.1	163.6	161.5
Bank Mizrahi	IL 1	163.6	+2.1	163.6	161.5
Bank Leumi Le-Israel	IL 1	28.5	+2.1	28.5	26.4
Bank Hapoalim	IL 1	163.6	+2.1	163.6	161.5
Bank Mizrahi	IL 1	163.6	+2.1	163.6	161.5

PUBLIC UTILITIES

Company	Unit	Price August 8	Change on week	High	Low
Bank Leumi Le-Israel	IL 1	28.5	+2.1	28.5	26.4
Bank Hapoalim	IL 1	163.6	+2.1	163.6	161.5
Bank Mizrahi	IL 1	163.6	+2.1	163.6	161.5
Bank Leumi Le-Israel	IL 1	28.5	+2.1	28.5	26.4
Bank Hapoalim	IL 1	163.6	+2.1	163.6	161.5
Bank Mizrahi	IL 1	163.6	+2.1	163.6	161.5
Bank Leumi Le-Israel	IL 1	28.5	+2.1	28.5	26.4
Bank Hapoalim	IL 1	163.6	+2.1	163.6	161.5
Bank Mizrahi	IL 1	163.6	+2.1	163.6	161.5

TRUSTS, BANKS & BONDS

Company	Unit	Price August 8	Change on week	High	Low
Bank Leumi Le-Israel	IL 1	28.5	+2.1	28.5	26.4
Bank Hapoalim	IL 1	163.6	+2.1	163.6	161.5
Bank Mizrahi	IL 1	163.6	+2.1	163.6	161.5
Bank Leumi Le-Israel	IL 1	28.5	+2.1	28.5	26.4
Bank Hapoalim	IL 1	163.6	+2.1	163.6	161.5
Bank Mizrahi	IL 1	163.6	+2.1	163.6	161.5
Bank Leumi Le-Israel	IL 1	28.5	+2.1	28.5	26.4
Bank Hapoalim	IL 1	163.6	+2.1	163.6	161.5
Bank Mizrahi	IL 1	163.6	+2.1	163.6	161.5

CANADIAN WEEKLY LIST

Stock	July 30	Aug. 6
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1

SINGAPORE

Stock	July 30	Aug. 6
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1

HONG KONG

Stock	July 30	Aug. 6
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1

JOHANNESBURG

Stock	July 30	Aug. 6
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1

INDUSTRIALS

Stock	July 30	Aug. 6
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1

BRUSSELS

Stock	July 30	Aug. 6
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1

AMSTERDAM

Stock	July 30	Aug. 6
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1

OSLO

Stock	July 30	Aug. 6
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1

VIENNA

Stock	July 30	Aug. 6
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1
Alcan. Ltd.	44.1	45.1

AUSTRALIA

T. SHARE INFORMATION SERVICE

"Recent Issues" and "Rights" Page 73

[illegible]

SKF
World leaders in rolling bearings

Lombard

From the poor to the rich with love

BY C. GORDON TETHER

WHEN Mr. Michael Foot said during the recent EEC debate in the Commons that he had a soft spot for the inefficient French farmer but could not see why the people of Ebbw Vale should be asked to subsidise him, he touched upon an unsavoury aspect of the terms for British entry that has so far received far less attention than it deserves. I am thinking of the fact that they involve something so very much in conflict with accepted ethics as a relatively poor nation being obliged to contribute generously to the support of its richer neighbours.

Real point

The real point, however, is that supporting one's own impoverished is far from being the same thing as supporting other countries' hard cases. And one would have thought that it would be extremely difficult to persuade the British people that it was a reasonable thing to ask them to donate upwards of £10 per head each year towards this cause when so much is being made of the fact that the countries they are being asked to support are far richer than themselves—and, therefore, manifestly in a much better position to succour their own needs.

And the statistics show plainly enough that only one of the Common Market countries—Italy—has a lower average per capita income than ourselves. All the others are a quarter to a third better off, including the one that will be the principal beneficiary of Britain's proposed largesse.

The implied affront to the civilised world must not be lost sight of. It is the rich who give to the poor and not vice versa. Looks more invidious still when account is taken of other highly relevant considerations. It is an unfortunate fact, to begin with, that the British people are being asked to make a charitable contribution in respect of the succouring of other countries' lame ducks just when they are being told that resources simply cannot be spared for even the most deserving cases on their own doorstep.

Honour bound

It is the case, too, that this charge is being loaded onto a country that has been carrying more than its fair share of the cost of financing other international good causes. Thus not only has Britain been contributing far more foreign exchange than any of the EEC countries to the preservation of the ancient defences of the Free World, unlike those countries, it has been forced to carry throughout the past quarter of a century an enormous international payments burden arising from the debts incurred in defending European freedom in two World Wars.

It might have been thought that, as the peoples of the European Community have benefited in such measure from the fact that Britain did to liberalise them in 1945, they would have seen themselves as honour bound to refrain from wringing any more money from her now that they have been so liberally treated by that immense effort—into the poor relation class.

No gratitude

But if their sense of gratitude was not sufficient to enable them to see that it was hardly the thing to pressurise Britain to make good its way into their club, one might at least have hoped that they would have been big enough to recognise that the proper destination for such enforced generosity was the real owners of the land—namely, the farmers—not a region so exceptionally affluent that it could easily afford to look after all its underprivileged itself.

The White Paper claimed that the EEC has been devoting progressively more to overseas aid an Britain. What it didn't say was that the Government's unwillingness to contribute British money so lavishly to the support of EEC's poor farmers will have all that.

Within a few years we will be ending almost three times what we do now—with the affluent EC getting, incidentally, more than all the really needy countries put together. Since a cable pair of EEC's aid spending will be financed from our purse, there can be no doubt that we will be carrying the biggest charity burden there.

THE LEX COLUMN

Messages in activity statistics

Now that we have four months of statistics for stock exchange transactions subsequent to the abolition of the short-term capital gains tax as such, it is tempting to draw the conclusion that volume of turnover in equities has moved to a definably higher plateau—average daily value being half again above the 1968-9 peak levels. That may indeed be so but a close study of the figures going back some way produces some very interesting side conclusions.

Overall trend

Looking strictly at equity turnover, the most evident trend has been the increase in the value of the average deal with the passage of time. From 1965 to date there has been a rise every year from a figure of about £1,000 through £2,050 in 1970 up to £3,770 in July; indeed a rather sudden jump of about £250 per deal in the past four months to an average of £2,650 can be regarded as

merely consistent with the overall trend. The trend itself will, of course, surprise no one though the figures are striking.

Again within the overall trend it will come as no surprise that the average size of bargains has tended to fall as the number of transactions rose and vice versa. As rising activity is associated with rising prices in broad terms (and again vice versa) it would be only natural that the average bargain should tend to be low at market highs and high at bottoms—despite the contrary effect of price on value. However, the actual figures suggest that average bargain sizes are not just a simple inverse reflection of activity. They appear to be also pointers to the quality of buying in the market.

Some examples may be helpful. In November 1967, average daily transactions soared to 24,000 from 20,500 in October and 16,700 in September. Yet average size actually rose (even if adjusted for price action) and

this it will be recalled was half way through a bull market. That November volume was in fact the same as the mean of volume in September 1968 and January 1969 (peaks for the FT index) when average size adjusted for price action was nearly a fifth lower. The latter month (the all-share index peak) was the activity top (28,000 daily average); by April average size was picking up and the trend to lower size was reversed.

Interpretation

Again in late 1969 and early 1970, when the indices were trying a recovery from the first leg of the bear market, activity soared from the low summer levels (to 24,800 daily in January 1970) but the upward trend in average size held intact. If adjustment is again made for price action, the peak for size came in July 1970. It has remained high since then and this in itself would suggest that the quality of buying in the

market at present is acceptably high and reflective of an upward trend in prices which is not in a very mature stage.

It would require a much longer history of activity statistics before any claims for the predictive value of this indicator had much value. Scrapping the barrel is all we can do in the absence of full daily turnover statistics. The chief danger to interpretation is that the long-term trend to rising size can distort the picture out of usefulness. But broadly the rule is that rising activity along with falling size marks a rising market; and falling activity along with rising size marks a falling one. As with all such concurrent indicators, the tricky pseudo-paradox remains that the peaks have to be interpreted the other way round.

World Bank

The interest of the £10m. World Bank 8 per cent. issue is of course the terminal date of

1976, which brings it into the fold of the "shorts" and hence a potential counter for the banks and even the building societies. For perspective, the 8 per cent yield compares with 8.3 per cent for the existing World Bank 5 per cent. issue 1972-82, which, because of its sinking fund, the specialist can compare with Exchequer 5's 1976-8. Under 5 years, however, the options are a yield of just over 7 per cent. on the comparable gilt, perhaps 7½ for a local authority issue and about 7.6 for a corporation loan. So if the banks take to it, it will surely go better than par even though it is unlikely to be a very good proposition from the angle of marketability.

Meanwhile the fact that a tax paying individual can get an appreciably better yield from a building society raises some thoughts about the whole interest rate structure in the U.K. Given an historically normal structure, there is much logic in the corporate sector's tradition

of borrowing at the two extremes—either by overdraft or by 25-year funding. What is surprising, at a time when the Government and local authorities are borrowing one year money at 5½ to 7 per cent. and 25-year money costs 10½ per cent. to the very best companies, is that the corporate sector should have shown virtually no flexibility in its attitude to borrowing somewhere in between.

Many, it is true, are hindered by existing borrowing which prevents future funding with earlier redemption dates. But, bearing this in mind (aside from the scope for ingenuity), there is a serious gap in our capital market for the second-hand money trying to fund at the long end; and the fact is that 5-year money is available in the market at a rate no higher than overdraft cost. Both here and in the 5- to 10-year bracket there is great scope for enterprise in London.

See also Page 12

Davies told UCS orders must be renegotiated

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

GLASGOW, August 8.

MR. JOHN DAVIES, Secretary for Trade and Industry, has understood been warned that unless orders for ships not yet started at Upper Clyde Shipbuilders are re-negotiated with the owners quite soon the new company the Government intend to set up in its place may find itself without work.

UCS is now in liquidation; and the setting up of the new company envisaged by Mr. Davies (on the recommendation of his four advisers) requires new legislation. This cannot be introduced until the House of Commons resumes after the summer recess, on October 13. In the meantime preliminary work on these ships—13, 26,000-ton standard-hulled carriers—has been suspended by the liquidator, Mr. Robert C. Smith.



Sir John Eden

Eden, Minister for Industry, is to meet a deputation of UCS shop stewards in London tomorrow in yet another effort to get the Government and the unions on the same wavelength regarding the future of UCS.

The stewards want UCS to be retained in its present form while the Government has so far insisted on its own solution which would provide work for less than a third of the present labour force of 8,400.

To-morrow, when UCS's Govan and Scotstoun yards and the Linthouse steel factory return from their summer holidays, workers will be asked at mass meetings to support the "work in" started by the joint shop stewards' committee at the Clydebank yard on July 30.

On Tuesday, shop stewards invited from factories and shipyards all over Scotland to a meeting in Glasgow will hear an appeal for funds by the UCS shop stewards. Although the stewards are pleased with the initial response in support of the "work in," their resources will be considerably stretched if they stand by their decision to "re-employ" up to 400 workers expected to be dismissed within the next fortnight.

A move will be made at York on Wednesday to involve the Confederation of Shipbuilding and Engineering Unions at national level in the UCS crisis.

Mr. Dan McGarvey, chairman of the Confederation's shipbuilding section and president of the Boiler-makers' Amalgamation, will propose a top-level meeting between the Prime Minister and the main unions.

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Depressed state

All sales activities for future orders have also been stopped and Mr. Smith is in the process of disbanding the forward planning and marketing departments.

Credit guarantees have so far been issued in respect of only four of the 13 ships. Orders have been ordered by Irish shipping which apparently still wants them. But it has now been brought to Mr. Davies's attention that unless the customers are told quite soon that UCS's standard-hulled carriers will be able and willing to guarantee delivery and credit guarantees are issued in respect of the remaining nine ships, the owners may make alternative arrangements or just abandon their plans.

The latter is quite possible in view of the continued depressed state of the freight market and

the large amount of laid-up tonnage.

Mr. Davies has also been advised that if there are delays in ensuring continuity between UCS and its successor, many of UCS's existing suppliers would switch production to other yards or simply sack the men working on UCS equipment.

This in turn could seriously jeopardise the building programme which is based on series production of bulk carriers and standard "Clyde design" cargo ships, even if the orders for the 13 ships are confirmed. If they are not, work at all UCS yards will dry up by the spring, not only at the doomed Clydebank and Scotstoun yards, but also at the Govan-Linthouse complex on which the Government's future plans for the Upper Clyde are based.

Mr. Davies will be on holiday in the south of France for the next four weeks; and Sir John

Trust Houses Forte peace bid

By Kenneth Gooding

AN ATTEMPT to patch up the dispute which has split the Board of Trust Houses Forte, Britain's biggest hotel and catering combine, will be made to-day at a meeting of the Council of the Trustees.

But so far no decision has been reached by the trustees on what line they should take. Lord Hacking, the solicitor who heads the Council, commented last night: "We go in with no foregone conclusions. Our minds have still to be made up."

The THF directors split over the sacking of managing director Mr. Michael Pickard by majority vote. This left the Board in two distinct factions—those directors formerly with the Trust Houses hotel group and those who came from Sir Charles Forte's catering concern.

Since Mr. Pickard's dismissal as managing director, Sir Charles, the deputy chairman, and Lord Crowther, the chairman, have been acting as joint managing directors. The trustees are to hold the voting control of THF, were invited to put forward proposals which might end the Boardroom deadlock.

Lord Hacking said: "This gives the trustees a hell of a responsibility, particularly to the City, where there has been a great loss of confidence in the group. We must also remember the City does not like the way the group is controlled by the trustees' votes—and, for that matter, neither do I."

The nine-strong Council will see to-day Lord Crowther and Sir Charles but none of the other directors—not even the man at the centre of the dispute, Mr. Pickard, who is still on the Board.

Lord Hacking pointed out that the trustees have no executive responsibility. "We can only make recommendations. It is up to the Board whether it decides to follow our advice and whether it should make public the suggestions we put forward."

NATO reviews Malta position

By Our Own Correspondent

BRUSSELS, Aug. 8. THE NATO Permanent Council met in emergency session here to-day for a report by Mr. Giorgi Kasti, acting Secretary-General, on his talks last week in Valletta with Mr. Dom Mintoff, Malta's Premier.

Mr. Kasti, who flew back to Brussels overnight, went straight to the Council meeting, the first of a series on the Malta crisis to be held this week. No details of his discussions with the Maltese leader were given by alliance sources here to-night.

But it is understood that Mr. Kasti had instructions to be tough with Mr. Mintoff, who has been a thorn in the side of the island's military facilities.

In the meantime British, Continental and Far East shipping lines are going ahead with the new container service between Europe and the Far East which is due to start in January. OCL is also heavily committed to this trade, investing some £77m. in ships and containers and another £45m. in shore and inland facilities at the Southampton terminal port and the Barking clearance depot.

The first OCL ship is due to be launched in Hamburg next month, joining the first Japanese vessels in service in March. Other OCL ships are due to enter service later in March, June and September next year, and in March, 1973.

Three ships to be operated by Associated Container Transportation, the other major U.K. consortium, are due to enter service in August and November next year and in September, 1973.

France may have converted \$470m. into gold

BY ADRIAN DICKS

PARIS, Aug. 8.

FRANCE IS due to pay off to-morrow the remaining \$608.8m. of its outstanding debt to the International Monetary Fund, which it incurred in the aftermath of the devaluation of the franc two years ago this week-end.

According to Press reports here, the repayment includes some \$191m. in gold, which the French authorities have purchased for the purpose from the U.S. Treasury. If this figure—so far unconfirmed—is correct it suggests that the French Government's policy of converting part of its dollar surplus into gold has now resulted in a total of about \$470m.

This would be considerably more than was believed when the latest gold purchase from the U.S. became known last Wednesday, the day when exchange markets all over Europe reacted in panic to the Banque de France's circular aimed at keeping out speculative inflows.

Orthodox position

Officials here stress that for the time being at least there is no question of extending the policy of dollar conversion beyond the needs of repayments to the IMF. Thus France will not be able to present any more of the gold held by the Central Bank without stepping outside this carefully orthodox position—though some commentators here openly suggest it should do so and thus increase pressure on the Americans to put their own house in order.

For the time being, however, the French Government is giving nothing away about the position it is likely to take at the IMF annual meeting next month. M. Valéry Giscard d'Estaing, the

French Finance Minister, said in a newspaper interview over the week-end that if circumstances were right France would be ready to contribute to "a better organisation of the international monetary system and, eventually, it would take initiatives in this field." But he added that the moment did not yet seem right.

What the outlines of such an initiative might be is no easier to see than it was a week ago—before the fresh series of measures taken to kill off speculation in a franc revaluation and to insulate the French economy from further heavy dollar inflows.

No coincidence

But in terms of domestic politics the arguments against any action which would have the effect of raising the franc parity are tending to grow stronger than rather weaker.

It seems no coincidence that M. Giscard d'Estaing in the same interview returned to the theme of a "contractual" policy for prices and incomes. He admitted that the Government had been unpleasantly surprised by the rapidity of increases in the first six months of the current year, though he added that in the present period there had been some slowdown.

However, an autumn of strong price and wage tendencies is fairly generally expected. A group of trades union leaders has already protested against the 10-cent increase in Paris public transport fares announced on Friday—the second in less than two years. They have requested a meeting with President Pompidou to-morrow.

U.K.-Irish relations plummet over Derry march decision

BY DOMINICK J. COYLE

DUBLIN, August 8.

Relations between the Dublin and London Governments are now at their lowest point since whatever the possible cost to community relations there and whatever the risk of a fresh outbreak of violence and death.

In this context, Ministers see the present failure to ban Thursday's parade as being essentially a political rather than a security decision. Dr. Hillery and his Prime Minister, Mr. Jack Lynch, do not accept the expressed view of Mr. Maudling, the British Home Secretary, that a decision on whether or not to permit the Apprentice Boys' parade is a matter for the Stormont Government.

They believe that Whitehall itself has the ultimate responsibility and that Mr. Heath personally

is determined to maintain Mr. Brian Faulkner, the Northern Ireland Prime Minister, in office whatever the possible cost to community relations there and whatever the risk of a fresh outbreak of violence and death.

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They believe that Whitehall itself has the ultimate responsibility and that Mr. Heath personally

ally has been a party to the decision to allow this parade.

The government in Dublin is apparently convinced, whether from past experience or as a result of its own intelligence reports, that a new wave of violence is practically inevitable as a consequence of permitting the Apprentice Boys to march, although it is conceded that blanket troop deployment in Derry on Thursday may well prevent a major confrontation on the streets on the day itself.

It is emphasised, however, that "this most provocative of all northern parades could easily be the spark to set off a real explosion," just as it led to rioting and deaths throughout the north two years ago.

OCL sees profit on Australia run

BY RAY DAFTER

WHILE dissatisfied with the outcome of the recent Australian shipping conference, the Overseas Containers Ltd. (OCL) shipping consortium believes it can make a profit in the Europe-Australia trade for the first time during the next financial year, starting in October.

Sir Andrew Crichton, chairman, said the inadequate increases—and, in the case of important wool cargoes, no increase at all—must inhibit the ability of OCL and other operators to achieve the level of profitability necessary to meet rising costs. (The lines are particularly disappointed about the wool negotiations, which have led to the increase on the freight for wool being confined to 14 per cent. over the past four years.)

Nevertheless, said Sir Andrew, the consortium was likely to turn its Australian operations from a loss-making position into

some measure of profitability provided there was reasonable industrial peace.

The consortium is particularly concerned about the continuing industrial troubles on the Australian waterfront. Operations at OCL's container berth at Tilbury, London—the centre of a prolonged dispute at the start of the service—are now a matter of some pride, however.

In the past three months records for loading and discharging have been repeatedly broken and the consortium claims that the throughput is the best for any single berth in Europe.

By the end of the present financial year the berth will have handled some 90,000 containers, a figure which is expected to rise to an annual rate of 110,000.

But while the ships in the Australian service are operating at near-full or capacity levels,

the British shipping lines in the consortium must be wondering what effect entry into the Common Market will have on the Australian trade.

I have heard it reported that the potential loss of containerised cargo, by weight or value, on the northbound voyages could be as much as 40 per cent. although the effect on southbound cargo is expected to be considerably less—if any at all.

It will be several years before a true assessment can be made, but it is found that a substantial proportion of trade is likely to be lost the lines may decide to resurrect the idea of some joint Australian-New Zealand service.

This was one proposition studied by consortium members several years ago but in view of the Australian potential it was decided to operate separate services to Australia and New Zealand.

LMI

Record Profits—Increased Dividend

Sustained Growth Prospects

Year ended 31st March	1967	1968	1969	1970	1971
Turnover	£000	£000	£000	£000	£000
Group Profit before Tax	192	475	395	811	926
Return on Capital Employed	9.0%	20.5%	18.2%	31.3%	31.7%
Ordinary Dividend	13.75%	13.75%	14.25%	17.5%	20%
Net Earnings after Tax per 25p share	1.8p	4.3p	4.0p	8.7p	11.2p

Highlights from the Statement by the Chairman, Mr. Michael Bryceson:

- * **Record Profits** — A new Group record, both of profits and earnings per share, resulting from internal self-generating growth.
- * **Increased Dividend** — Covered 2.24 times by earnings, which have risen from 35% to 45% per Ordinary Share.
- * **Capitalisation Issue** — In April, 1971, a one for one Ordinary Share issue was made giving the Group trustee investment status.
- * **Funding** — The Directors have under consideration an issue of approximately £1 million of convertible unsecured loan stock, to provide permanent capital for the continuing development and further expansion of the Group.
- * **Prospects** — During the first three months of 1971/72 the steady advance in overall profitability has continued — budget forecasts are very encouraging — we confidently expect a further increase in profits this year.

LMI The London & Midland Industrial Group is organised in two Divisions Engineering, which contributes 80% of profits, and a smaller Consumer Products Division. Major engineering activities are the manufacture of Capital Equipment, Environmental Engineering, and Engineering Services, particularly specialist machined parts and industrial fasteners.

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CASHMOR for steel

Weather

U.K. TO-DAY

N.W. Scotland: showers. S.E. Scotland: mainly dry with spells. N.W. England, N. Sunny spells, becoming with some rain. Wales, S.W. England: cloudy. Cen. and E. Cloudy. Bright spells in Temp. near normal in land. Scotland and W. Rather warm elsewhere. London S.E. Cen. S.E. England, E. Midlands, E. Dry, cloudy early, but sunny spells later. Wind to moderate. Rather war. 23C (73F). Channel Isles, S.W. Wales, S.W. England: Cloudy. Mainly dry with fog. Some bright intervals. Wind W. moderate. Norm 19C (66F).

N.W. England, Isle of Man: mainly dry with some rain late W-S.W. light to moderate: max. 19C (66F). N.E. England, E. Scot. Edinburgh: Sunny spells. Mainly dry W. moderate. Normal. M. (64F). Rest of Scotland: Scattered showers. spells. Wind W. fresh, strong. Normal. Max. 18C (64F). Outlook: Some rain or drizzle in the morning. In the Mainly dry and rather warm S. and E.

BUSINESS CENTRES

	Y'day	Mid-day	Today	
	°C	°F		
Amsterdam	F 18	64	Melbourne	C 13
Bahia	S 18	80	Mexico	C 13
Batavia	S 17	83	Manila	C 13
Bombay	S 17	81	Montreal	C 13
Buenos Aires	F 21	70	San Francisco	C 13
Canton	S 17	81	Singapore	C 13
Cebu	S 17	81	Sydney	C 13
Colon	S 17	81	Taipei	C 13
Hankow	S 17	81	Tokyo	C 13
Hong Kong	S 17	81	Yokohama	C 13
Kobe	S 17	81		
London	S 17	81		
Lyons	S 17	81		
Manila	S 17	81		
Medan	S 17	81		
Shanghai	S 17	81		
Singapore	S 17	81		
Sourabaya	S 17	81		
Tientsin	S 17	81		
Yokohama	S 17	81		

HOLIDAY RESORTS

HOLIDAY RESORTS							
Acco	S	20	86	Istanbul	S	20	86
Algeria	S	20	86	Jersey	S	20	86
Alexandria	F	34	83	Las Palmas	S	20	86
Algiers	S	24	83	Locarno	S	20	86
Antwerp	S	28	82	Majorca	S	20	86
Batavia	S	28	82	Malaga	S	20	86
Bombay	K	17	81	Malta	S	20	86
Buenos Aires	C	22	82	Manila	S	20	86
Canton	S	28	82	Marble	S	20	86
Cebu	S	28	82	Nassau	S	20	86
Colon	S	15	82	Nice	S	20	86
Hankow	S	15	82	Niagara	S	20	86
Hong Kong	S	33	85	Niagara	S	20	86
Kobe	R	20	85	Rhodes	S	20	86
London	S	34	83	Saltzburg	S	20	86
Lyons	F	22	82	San Marino	S	20	86
Manila	C	16	81	Seattle	S	20	86
Medan	S	18	81	Taipei	S	20	86
Shanghai	S	18	81	Valencia	S	20	86
Singapore	S	18	81	Venice	S	20	86
Sourabaya	R	18	81	W. Fair.	S	20	86